

# ANNUAL REPORT 2021-22

GOOD HOPE PLC



**Goodhope**

A CARSON CUMBERBATCH COMPANY

## Financial Calendar

Financial Year End 31st March 2022

### Announcement of Results

First Quarter ended 30th June 2021 12th August 2021

Second Quarter ended 30th September 2021 10th November 2021

Third Quarter ended 31st December 2021 07th February 2022

Notice of 113th Annual General Meeting 31st May 2022

**113th Annual General Meeting 23rd June 2022**

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# Chairman's Statement

## Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the Annual Report and Audited Financial Statements of Good Hope PLC for the year ended 31st March 2022 and welcome you to the One Hundred and Thirteenth Annual General Meeting of the Company.

## Financial Performance

The main business of the Company is the minority equity investments it holds in Shalimar Developments Sdn. Bhd. (SDSB) and in Shalimar (Malay) PLC (SMPLC). SDSB's investee Company carries out palm oil plantation operations in Indonesia.

The investee Company continues to take proactive measures to ensure uninterrupted business operations whilst the COVID-19 pandemic still prevails. The Crude Palm Oil (CPO) prices have continued to trade at higher levels during the fourth quarter in the year under review, although partly impacted by the duty on CPO sales introduced by the Indonesian government and the continued impact of higher input costs such as fertilizer stemming from the prevailing unrest in Ukraine. In the backdrop of these industry and economic challenges, The Company is cautiously preserving its liquidity position to ensure it remains strong and resilient.

The Company received interim dividends from its equity investments in the year under review. Further, the Company earned interest income from its short-term deposits in Sri Lanka, the rate of which had declined sharply in the year under

review, but expected to increase in the 4th quarter with the Central Bank of Sri Lanka's decision to increase interest rates in general, going forward.

Accordingly, your Company recorded a net profit after tax of Rs. 22.91 Mn for the year as compared to the profit of Rs. 3.55 Mn recorded in the previous financial year.

## Interim Dividend

The Company received a dividend from its investment in SDSB in July 2021 and consequently declared an interim dividend of Rs 10.77 per share to the shareholders for the year ended 31st March 2022. This was paid to the shareholders in July 2021.

## Minimum Public Holding

As per Rule 7.14.1 (a) of the Listing Rules of the Colombo Stock Exchange, a Listed Entity on the Main Board having a public holding below the specified requirement in terms of the said rules, has to ensure that the public holding of such entity is maintained at a defined public holding percentage of shares in the hands of a minimum number of public shareholders as specified in the said rules.

As previously informed via annual and interim reports, the Company is not in compliance with the minimum public holding requirements in relation to a Company Listed on the Main Board of the Colombo Stock Exchange (CSE) as per Rule 7.14.1 (a) of the Listing Rules of CSE. Accordingly, the Company was transferred to the 'Watch List' of the CSE in terms of Rule 7.14.2 (b) of the previous Listing

## Chairman's Statement

Rules of the CSE with effect from 02nd July 2018. However, the CSE via their Circular No. 03/2019 dated 03rd October 2019 amended the Listing Rules on enforcement actions applicable for non-compliance with minimum public holding requirements with effect from 12th September 2019.

Accordingly, in terms of Rule 7.14.2 of the Listing Rules of the CSE, the company was transferred to the Second Board with effect from 15th November 2019. In this regard, I wish to highlight that the objective of the voluntary offer made to all shareholders in 2011 was to acquire the entire minority shareholding as a step towards the consolidation of the oil palm plantation business segment of Carsons group. The offer documents also mentioned that upon completion of the voluntary offer, the rationale for remaining listed will be evaluated. Since the voluntary offer did not result in the acquisition of the entire minority shareholding, the Company continued to remain listed.

Taking into consideration that a voluntary offer had been made and also considering that there is no requirement for additional capital infusion to the Company and resultantly, there being no plans for issuing of new shares nor a dilution by the majority shareholder and as previously

communicated to shareholders through market disclosures and Annual Reports and in terms of the revised Listing Rules, we will report on the proposed course of action.

On behalf of the Board of Directors of the Company, I extend our appreciation to the shareholders for their continued support and confidence placed in the Directors and to all our business associates.

I am thankful to our management and staff for their hard work and dedication. Last but not least, I would like to thank my fellow Board Members for their support and guidance provided throughout the year, and to the members of the Audit Committee, Remuneration Committee and Related Party Transactions Review Committee for their invaluable efforts.

*(Sgd.)*

**H. Selvanathan**

*Chairman*

30th May 2022

# Management Discussion and Analysis

## Review of Industry and Operational Performance

The equity investment in Shalimar Developments Sdn. Bhd. (SDSB) and the shares held in Shalimar (Malay) PLC (SMPLC) comprise the sole operation of the Company.

SDSB's investee Company is managed by the group's fully owned management arm in Indonesia which consists of 26,516 hectares of plantation with processing facilities of 225 MT/hr. Statistics pertaining to the operating performance of SDSB's investee Company is provided in this annual report in section 7 under "Information to Shareholders and Investors" in pages 70 and 72.

The Investment in SDSB is recorded in the financial statements at fair value as determined by an independent professional valuer as fully explained in Note 08 to the Financial Statements.

The COVID-19 pandemic continues to pose challenges and risks to the operating environment in the plantations. The investee company has been taking several measures to ensure uninterrupted business operations in the midst of the relentless COVID-19 pandemic. On a positive note, the Crude Palm Oil prices (CPO) have continued to trade at higher levels during the fourth quarter in the year under review and has increased on Year-on-year basis, although partly impacted by the duty on CPO sales introduced by the Indonesian government and the continued global increase in input material costs. In the backdrop of these industry and economic challenges, the Company is cautiously preserving its liquidity position to ensure it remains strong and resilient.

The Company received dividends from its equity investments in the year under review. Further, the Company earned interest income from its short-term deposits in Sri Lanka, the rate of which has declined sharply following the pandemic outbreak but is now expected to increase significantly from 4QFY21/22.

Accordingly, the Company recorded a profit after tax of Rs. 22.91 Mn from operations during the year under review compared to the profit of Rs. 3.55 Mn recorded in the previous financial year.

### Interim Dividend

The Company received a dividend from its investment in SDSB in July 2021 and consequently declared an interim dividend of Rs 10.77 per share to the shareholders for the year ended 31st March 2022. This was paid to the shareholders in July 2021.

### Minimum Public Holding

As more fully noted in the Chairman's Review, the Company is not in compliance with the minimum public holding requirements in relation to a Company Listed on the Main Board as per Rule 7.14.1 (a) of the Listing Rules of Colombo Stock Exchange (CSE). The CSE subsequently issued an amendment on enforcement actions applicable for non-compliance with minimum public holding requirements via their Circular No. 03/2019 dated 03rd October 2019. Accordingly, the Company was transferred to the Second Board with effect from 15th November 2019.

We wish to note that taking into consideration the voluntary offer made to all shareholders in 2011 as a step towards consolidation of the oil palm business and as mentioned in the offer documents that the need for remaining listed will be evaluated. Since the voluntary offer did not result in the acquisition of the entire minority shareholding, the Company continued to remain listed. Further, considering that there is no requirement for additional capital infusion to the Company and resultantly, there being no plans for issuing of new shares nor a dilution by the majority shareholder and as previously communicated to shareholders through market disclosures and Annual Reports and in terms of the revised Listing Rules, the Company will report its proposed course of action.

### Agro Harapan Lestari (Pvt) Ltd

*Managers*

30th May 2022

# Risk Management

The Company's overall risk management objective is to ensure that it creates value to its shareholders, whilst minimising any potential adverse impact. The Company's risk management framework is aligned to that of its parent Company and Board approved policies and guidelines.

The integrated risk framework ensures early detection and prevention of risks as well as exploitation of opportunities, contributing to a sustainable business model. The risks are continuously anticipated, reviewed and managed through the deployment of effective corrective actions.

## Continuing Business Segment

The continuing business of the Company consists of the (i) equity investment made in Shalimar Development Sdn. Bhd. (SDSB) and (ii) shares held in Shalimar (Malay) PLC. SDSB owns shares in PT Agro Indomas of Indonesia, which is in the Oil Palm Plantation business. The Company's only source of operating income is any potential dividend income it may earn from its long term investments. The performance of the investments (both the investment value and the Dividend Returns) are subject to the following key risks.

### (a) Investment Income Risk

#### I. Commodity Price Risk

The price of Crude Palm Oil (CPO), the main produce of PT Agro Indomas, is determined by international market dynamics of demand and supply. The price of CPO is volatile along with the movements in the global commodities market. The sale of CPO is the prime source of cash inflow for PT Agro Indomas. Therefore, any volatility in CPO prices will have a direct impact on the operating results and cash flows of PT Agro Indomas and its ability to pay dividends.

### II. Environmental Risk

Unfavourable weather patterns, resulting in extreme conditions impacting palm growth, natural and man-made disasters such as fire and potential crop disease could affect the quantity and/or quality of the produce. Accordingly, this can impact the volume of CPO production, and therefore, the operating results and cash flows generated by the investee companies and their ability to pay dividends.

#### (b) Investment Valuation Risk

The value of the investments in the investee companies are stated at fair value and are assessed by an independent professional valuer using the discounted cash flows methodology. Some of the key assumptions which impact the valuation include the forecasted international selling price of CPO and the applicable market discount rate, both of which are beyond the control of the Company. While adequate measures are taken to manage the controllable input of the valuation assumptions, volatility in external environment and industry dynamics such as weather patterns and biological cycles together with macro-economic and political factors including inflation rates, also can result in fluctuations in the appraised fair value of the investments in the financial statements.

#### (c) Foreign Exchange Risk

A currency risk is generated through the translation of foreign currency denominated investment to Sri Lankan Rupee for the purpose of financial reporting in Sri Lankan Rupees.

Given the impact of the global pandemic, the price and foreign exchange risk have exacerbated significantly; and supply chain for edible oil and other commodities may face significant disruptions.

**Agro Harapan Lestari (Pvt) Ltd**  
Managers

30th May 2022

## Profile of the Directors

### HARIHARAN SELVANATHAN

Hariharan Selvanathan is the Chairman of Good Hope PLC, Bukit Darah PLC and Deputy Chairman of Carson Cumberbatch PLC. He is the Deputy Chairman/Group Chief Executive officer of Goodhope Asia Holdings Ltd. He is the President Commissioner of the palm oil related companies in Indonesia. He holds Directorships in several subsidiary companies within the Carsons Group and is also a Director of Sri Krishna Corporation (Private) Limited and the Chairman of Express Newspapers (Ceylon) Ltd. He is also the Chairman of Carsons Management Services (Private) Limited and Agro Harapan Lestari (Private) Limited, the Group's Management companies.

He was the Past President of the National Chamber of Commerce and Past Vice Chairman of the International Chamber of Commerce (Sri Lanka).

He holds a Bachelor's Degree in Commerce.

### MANOHARAN SELVANATHAN

Manoharan Selvanathan is the Chairman of Sri Krishna Corporation (Private) Limited and Selinsing PLC. He is a Director of most of the Companies in the Carson Cumberbatch Group in Sri Lanka, Indonesia, Malaysia & Singapore and is an active member of its Executive Management Forums.

He has served as the Chairman of the Ceylon Chamber of Commerce and the

Indo Lanka Chamber of Commerce & Industry and also as the President of the Rotary Club of Colombo North. At present, he is the Honorary Consul of the Republic of Chile in Sri Lanka.

Mano Selvanathan was conferred the National Honours in Sri Lanka the 'DESAMANYA' title by H.E. The President of Sri Lanka, in recognition of the services rendered to the Nation in November 2005.

In January 2011, he was awarded with the prestigious 'PRAVASI BHARATIYA SAMMAN AWARD' by the President of India. He also received the Presidential Honour of 'ORDER OF KNIGHT COMMANDER' in October 2013 awarded by the Government of Chile.

He holds a Bachelor's Degree in Commerce.

### ISRAEL PAULRAJ

Israel Paulraj was the Chairman of Guardian Capital Partners PLC. He is the Chairman of Rubber Investment Trust Limited. He serves as a Director of several subsidiary companies within the Carsons Group.

He served as the Past Chairman of the Federation of Exporters Associations of Sri Lanka and The Coconut Products Traders Association. He was a member of the Executive Committee of the Ceylon Chamber of Commerce, National Chamber of Commerce of Sri Lanka and Shippers Council. He served on the Board of Arbitrators of the Ceylon Chamber of Commerce. He has also served as the Hony. General Secretary of the Central

## Profile of the Directors

Council of Social Services, Hony. Treasurer of the Christian Conference in Asia, President of the Church of Ceylon Youth Movement and Hony. Treasurer of the National Christian Council of Sri Lanka. He has also served as the Chairman of the Incorporated Trustees of the Church of Ceylon.

He also served on the Presidential Task Force on Non Traditional Export and Import Competitive Agriculture set up by the late President R. Premadasa. He served as the Chairman of the Ecumenical Loan Fund of Sri Lanka and on its International Board in Geneva. He was a member of the Commercial Law Reform Commission and has served on the Parliamentary Consultative Committee on Internal and International Trade.

He holds a Bachelor's Degree in Law and an Executive Diploma in Business Administration.

### **CHANDIMA GUNAWARDENA**

Chandima Gunawardena serves as a Non-Independent, Non-Executive Director of most of the Carsons Group Companies in Sri Lanka and overseas. He is also a Director of Bukit Darah PLC. Since assuming Non- Executive status in the Group, he serves as an advisor to the Group's Strategic Planning and Management forums in Sri Lanka and serves on Board Committees, including the Audit Committees of the Group in Sri Lanka and overseas covering all operating sectors of the Group.

Mr. Gunawardena has over four decades of experience in varied fields of business and commercial activities and has held senior positions in Corporate, Mercantile and State Institutions. He was appointed to the Carsons Group Directorate in 1990.

He has served in the Management Committee of The Ceylon Chamber of Commerce for over 10 years and was a Founder Council member of the Sri Lanka Institute of Directors (SLID) and continued to serve in the council for over 10 years.

He is a Fellow of the Chartered Institute of Management Accountants, UK.

### **SANJIV ALLES**

Sanjiv Alles is a Director/ Co-founder of Atom Technologies (Private) Ltd, Atomedia (Private) Ltd, Saberion (Private) Ltd. and Alles Holdings and Investments (Pvt) Limited.

Prior to this, he served as a consultant at Millennium Information Technologies for the automation of the American Stock Exchange (AMEX). Presently, he also serves on the Boards of Indo-Malay PLC and Selinsing PLC. Sanjiv Alles holds a Bachelor of Arts degree from the Warwick Business School (UK) and a Master of Laws degree from the University of Melbourne, Australia.



**PRITHIVIRAJ DE SILVA**

Prithiviraj De Silva has over 35 years of experience in the fields of Finance and General Management.

He has been practising as a Management Consultant since 1996. He moved to Melbourne in 2003 and worked as the Finance Controller of a company in the business of distributing specialty Beverages. He returned to Sri Lanka in 2005 and joined Wijeya Newspapers Ltd as the Finance Director.

He resigned from Wijeya Newspapers Ltd in 2015 and has been providing Management Consulting services to companies in the private sector from 2015 to-date.

## Statement of Directors' Responsibilities

The responsibilities of the Directors in relation to the Financial Statements are detailed in the following paragraphs, while the responsibilities of the Auditors are set out in the Report of the Auditors.

According to the Companies Act No. 07 of 2007 and the Sri Lanka Accounting & Auditing Standards Act No. 15 of 1995, Directors are required to prepare Financial Statements for each financial year, giving a true and fair view of the financial position of the Company as at the end of the financial year and of the financial performance for the said period.

In preparing these Financial Statements, the Directors are required to ensure that:

- appropriate accounting policies have been selected and applied consistently while material departures, if any, have been disclosed and explained,
- all applicable Accounting Standards have been complied with,
- reasonable and prudent judgments and estimates have been made,
- listing rules of the Colombo Stock Exchange (CSE) have been met and
- code of best practice on corporate governance issued jointly by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and the Securities and Exchange Commission of Sri Lanka (SEC) has been adopted.

The Directors are responsible for ensuring that the Company maintains sufficient accounting records to disclose with reasonable accuracy, the financial position

of the Company in order to ensure that the Financial Statements of the Company meet with the requirements of the Sri Lanka Accounting & Auditing Standards Act No. 15 of 1995 and the Companies Act No. 07 of 2007. They are also responsible for taking reasonable measures to safeguard the assets of the Company and in this regard, to give proper consideration to the establishment of an appropriate system of internal controls with a view to prevent, detect and rectify frauds and other irregularities.

These Financial Statements have been prepared on a going concern basis after reviewing the financial position and the cash flows and the Directors are of the view that the Company has adequate resources to continue in operation for the foreseeable future from the date of signing these financial statements.

The Directors are also of the view that they have discharged their responsibilities as set out in this statement.

By Order of the Board,

*(Sgd.)*

**K. D. De Silva (Mrs.)**

Director

**Carsons Management Services  
(Private) Limited**

Secretaries

Colombo

30th May 2022

# Annual Report of the Board of Directors on the Affairs of the Company

The Board of Directors of Good Hope PLC (“the Company”) have pleasure in presenting to the Shareholders their Report, together with the Audited Financial Statements for the year ended 31st March 2022.

The details set out herein, provide the pertinent information required by the Companies Act No. 07 of 2007, Listing Rules of the Colombo Stock Exchange and are guided by recommended best Accounting Practices.

The Annual Report was approved by the Board of Directors on 30th May 2022.

## 1. GENERAL

Good Hope PLC (the “Company”) is a public limited liability Company incorporated in Sri Lanka in 1910.

## 2. PRINCIPAL ACTIVITY OF THE COMPANY

The principal activity of the Company is managing and holding of an investment portfolio.

There were no significant changes in the nature of the principal activities of the Company during the financial year under review.

## 3. BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The Chairman’s Statement and Business Review on pages 1 to 3 provides an overall assessment of the business performance of the Company and its future developments.

These reports together with the audited financial statements reflect the state of affairs of the Company.

## 4. FINANCIAL STATEMENTS

The financial statements which comprise of the Statement of Profit or Loss, Statement of Comprehensive Income, Statement of Financial Position, Statement of Cash Flow, Statement of Changes in Equity and Notes to the financial statements of the Company for the year ended 31st March 2022 are set out on pages 31 to 60. These financial statements comply with the requirements of Section 151 of the Companies Act No. 07 of 2007.

### 4.1 Financial Results and Appropriations

An abridgement of the financial performance of the Company is presented in the following table.

**Annual Report of the Board of Directors on the Affairs of the Company**

<i>For the year ended 31st March</i>	<b>2022</b>	2021
	<b>Rs.'000</b>	Rs.'000
<b>Profit for the year</b>	<b>22,911</b>	3,547
Retained earnings as at the beginning of the year	<b>111,888</b>	108,341
<b>Profits available for appropriations</b>	<b>134,799</b>	111,888
Dividend Paid	<b>(41,828)</b>	-
<b>Retained earnings as at the end of the year</b>	<b>92,971</b>	111,888

**4.2 Significant Accounting Policies**

The accounting policies adopted in the preparation of these financial statements are given on pages 36 to 48.

**4.3 Investment in Financial Instruments**

Investments in financial instruments of the Company represent investments in Fair Value through OCI financial assets categorised into,

- Fair value hierarchy Level 1 – Quoted Equity shares
- Fair value hierarchy Level 3 – Unquoted Equity shares

The details of financial instruments categorised in to levels in the fair value hierarchy are given in note 20 to the financial statements.

**4.4 Capital expenditure**

The details of capital expenditure of the Company are as follows;

<b>For the year ended</b>	<b>2022</b>	2021
<b>31st March</b>	<b>Rs'000</b>	Rs'000
Property, Plant & Equipment	<b>370</b>	-

**4.5 Reserves**

As at 31st March 2022, the total reserves of the Company stood at Rs. 10,630 Mn (2021 - Rs. 7,058 Mn).

The movements are set out in the Statement of Changes in Equity.

**5 INTERESTS REGISTER**

The Company maintains the Interests Register conforming to the provisions of the Companies Act, No.07 of 2007. All Directors have made declarations as provided for in Section 192(2) of the Companies Act, aforesaid.

The relevant details as required by the Companies Act, No. 07 of 2007 have been entered in the Interests Register during the year under review.

The Interests Register is available for inspection as required under the Companies Act, No. 07 of 2007.

**5.1 Remuneration of Directors**

Directors' remuneration for the financial year ended 31st March 2022 is given in note 18.2 to the Financial Statements on page 57.

## 5.2 Directors' Interest in Contracts and Shares

Directors' interests in contracts of the Company are disclosed in note 18.3 to these financial statements and have been declared at meetings of the Directors. The Directors have had no direct or indirect interest in any other contracts or proposed contracts in relation to the business of the Company, while they had the following interests in the ordinary shares of the Company as shown in the table below.

	No. of shares	
	31st March 2022	31st March 2021
<i>H. Selvanathan</i> <i>(Chairman)</i>	-	-
<i>M. Selvanathan</i>	1	1
I. Paulraj	-	-
D. C. R. Gunawardena	-	-
S. N. Alles	-	-
D. P. De Silva	-	-

## 6 DIRECTORS

The names of the Directors who served during the year are given under Corporate Information provided in the inner back cover of the Annual Report.

### 6.1 Directors to retire by rotation

In terms of Articles 98 and 99 of the Articles of Association of the Company, Mr. D. P. De Silva retires by rotation and being eligible offers himself for re-election.

### 6.2 Re - Appointment of Directors who are over 70 years of age

Messrs. H. Selvanathan, M. Selvanathan, I. Paulraj and D.C.R. Gunawardena - Directors who are over 70 years of age are to be re-appointed as Directors of the Company for a further period of one year from the conclusion of the Annual General Meeting and that the age limit stipulated in Section 210 of the Companies Act, No.07 of 2007 shall not be applicable to the said Directors.

## 7 CORPORATE GOVERNANCE

The Board has ensured that the Company has complied with the Corporate Governance Rules as per the Listing Rules of the Colombo Stock Exchange (CSE).

The requirement with regard to the minimum public holding is noted in the Chairman's statement.

### 7.1 Board of Directors

The following Directors held office as at the reporting date and their brief profiles are given on pages 5 to 7 of the Annual Report.

## Annual Report of the Board of Directors on the Affairs of the Company

Directors	Executive/ Non-Executive/ Independent
H. Selvanathan (Chairman)	Executive
M. Selvanathan	Executive
I. Paulraj	Non-Executive
D. C. R. Gunawardena	Non-Executive
S. N. Alles*	Non-Executive / Independent
D. P. De Silva**	Non-Executive / Independent

Each of the Non-Executive Directors of the Company have submitted a signed declaration on Independence/ Non-Independence as per Rule 7.10.2. (b) of the Listing Rules of the Colombo Stock Exchange (CSE). The said declarations were tabled at a Board Meeting of the Board of Directors of the Company held on 23rd May 2022 in order to enable the Board of Directors to determine the Independence/ Non-Independence of each of the Non-Executive Directors, in terms of Rule 7.10.3(a) of the Listing Rules of the CSE.

Accordingly, the Board has determined the following Non-Executive Directors as Independent Directors on the Board.

*\* Mr. S.N. Alles is an Independent Director in spite of being a Director of Indo-Malay PLC & Selinsing PLC in which the majority of the Directors of the Board are also Directors, since*

*he is not directly involved in the management of the Company.*

*\*\* Mr. D. P. De Silva is an Independent Director in Spite of being a Director of Shalimar (Malay) PLC in which the majority of the Directors of the Board are also Directors since he is not directly involved in the management of the Company.*

*The Managers of the Company are Agro Harapan Lestari (Pvt) Ltd.*

### 7.2 Directors' Meetings Attendance

As permitted by Article 121 of the Articles of Association of the Company, the Board of Directors had Five virtual Board Meetings by means of Microsoft Teams during the financial year.

The attendance of the Directors were as follows;

Directors	Meetings Attended (Out of 5)
H. Selvanathan (Chairman)	5/5
M. Selvanathan	5/5
I. Paulraj	5/5
D. C. R. Gunawardena	5/5
S. N. Alles	5/5
D. P. De Silva	5/5

### 7.3 Audit Committee

As permitted by the Colombo Stock Exchange, the Audit Committee of Carson Cumberbatch PLC (CCPLC) the parent Company of Goodhope

Asia Holdings Ltd (GAHL), functions as the Audit Committee of the Company and comprises of the following members;

### Composition

Audit Committee Members	Executive / Non-Executive / Independent
Mr. A. S. Amaratunga <i>(Chairman)</i>	Non-Executive/ Independent Director of CCPLC
Mr. D. C. R. Gunawardena	Non-Executive Director of CCPLC
Mr. Y. H. Ong	Non-Executive/ Independent Director of CCPLC

The Audit Committee Report is given on pages 20 to 22 of this Annual Report.

#### 7.4 Remuneration Committee

As permitted by the Colombo Stock Exchange, the Remuneration Committee of Carson Cumberbatch PLC (CCPLC) the parent Company of Goodhope Asia Holdings Ltd(GAHL), functions as the Remuneration Committee of the Company and comprises of the following members;

### Composition

Remuneration Committee Members	Executive / Non-Executive / Independent
Mr. T. de Zoysa <i>(Chairman)</i>	Non-Executive/ Independent Director of CCPLC
Mr. D. C. R. Gunawardena	Non-Executive Director of CCPLC
Mr. R. Theagarajah	Non-Executive/ Independent Director of CCPLC
Mr. W. M. R. S. Dias	Non-Executive/ Independent Director of CCPLC

### Scope and Objective

The Remuneration Committee has established a formal and transparent procedure for the development of a remuneration policy which will be reviewed by the Committee when deemed necessary.

The remuneration policy has been formulated based on market and industry factors with appropriate incentives to encourage enhanced performance and also in a fair and responsible manner for all group companies.

### Functions and Proceedings

The Remuneration Committee recommends to the Board the remuneration to be paid to the Non- Executive Directors. Based on the recommendation of the Remuneration Committee, the Board approves remuneration to the respective Directors.

## Annual Report of the Board of Directors on the Affairs of the Company

The Chief Executive Officer, Director-in-charge and other members of senior management may be invited to attend meetings to discuss the performance of the Executive Directors and make proposals as necessary. Neither Executive nor Non- Executive Directors are involved in Remuneration Committee meetings when determinations are made in relation to the remuneration of the respective Directors.

The Committee is authorised by the Board to seek appropriate professional advice internally and externally as and when it considers this necessary.

The Remuneration Committee meets at least twice a year.

As permitted by the Remuneration Committee Charter, the Committee had Two Virtual meetings during the period under review.

Remuneration Committee Members	Meetings Attended (Out of 02)
Mr. T. de Zoysa <i>(Chairman)</i>	1/2
Mr. D.C.R. Gunawardena	2/2
Mr. R. Theagarajah	2/2
Mr. W. M. R. S. Dias	2/2

### Reporting and Responsibilities

The Committee Chairman reports to the Board on its proceedings on all matters within its duties and responsibilities. The Committee makes recommendations to the Board as deemed appropriate on

any area within its limit where action or improvements are needed.

Aggregated remuneration paid to the Non-Executive Directors of the Company are disclosed under note 18.2 on page 57 of the Annual Report. Executive Directors are not compensated for their role on the Board.

### 7.5 Related Party Transactions Review Committee

As permitted by the Colombo Stock Exchange, the Related Party Transactions Review Committee of CCPLC the parent Company of Goodhope Asia Holdings Ltd (GAHL), functions as the Related Party Transactions Review Committee of the Company and comprises of the following members;

#### Composition

Related Party Transactions Review Committee Members	Executive / Non-Executive / Independent
Mr. W. M. R. S. Dias <i>(Chairman)</i>	Non-Executive/ Independent Director of CCPLC
Mr. R. Theagarajah	Non-Executive/ Independent Director of CCPLC
Mr. D. C. R. Gunawardena	Non-Executive Director of CCPLC



<b>Related Party Transactions Review Committee Members</b>	<b>Executive / Non-Executive / Independent</b>
Mr. H. Selvanathan	Executive Director of CCPLC
Mr. M. Selvanathan	Executive Director of CCPLC
Mr. S. K. Shah	Non-Executive Director of CCPLC

The Related Party Transactions Review Committee Report is given on pages 23 to 24 of this Annual Report.

### **Declaration**

The Directors have made self-declarations for the purpose of identifying parties related to them. The said declarations were noted at the Related Party Transactions Review Committee Meetings.

The Company is in compliance with Rule 9 of the Listing Rules of the Colombo Stock Exchange pertaining to Related Party Transactions, during the financial year.

### **Related Party Transactions Exceeding 10% of the Equity or 5% of the Total Assets of the Company**

The Directors declare in terms of the requirements of the Listing Rules of the Colombo Stock Exchange that the transactions carried out by the

Company with its Related Parties during the year ended 31st March 2022, did not exceed 10% of Equity or 5% of the Total Assets of the Company as at 31st March 2021.

The details of the Related Party Transactions are given in Note 18 on pages 56 to 57 of the Financial Statements.

### **7.5.1 Non-Recurrent Related Party Transactions**

There were no non-recurrent related party transactions for the year ended 31st March 2022 which in aggregate value exceeds 10% of the equity or 5% of the total assets whichever is lower of the Company as per 31st March 2021 Audited Financial Statements as required by the Colombo Stock Exchange Listing Rule 9.3.2 and Code of Best Practices on Related Party Transactions under the Securities and Exchange Commission Directive issued under Section 13(c) of the Securities and Exchange Commission Act.

### **7.5.2 Recurrent Related Party Transactions**

There were no recurrent related party transactions which in aggregate value exceeds 10% of the revenue of the Company as per 31st March 2021 Audited Financial Statements as required by the Colombo Stock Exchange Listing Rule 9.3.2 and Code of Best Practices on Related Party Transactions under the Securities and Exchange Commission Directive issued under Section 13(c)

## Annual Report of the Board of Directors on the Affairs of the Company

of the Securities and Exchange Commission Act are disclosed under Note 18 on page 56 to the Financial Statements.

### **8 INTERNAL CONTROL AND RISK MANAGEMENT**

The ultimate responsibility to establish, monitor and review a company-wide internal control system rests with the Board of Directors. The intensity, depth and the tolerance limits for each components of the internal control system would be based on the weight of the elements of risk imposed on the sustenance of the business by the respective area of operation. Whilst a strong internal control system would mitigate the crystallization of risk elements to a greater extent, employment of external support structures would also be necessary based on the risk assessments made thereon.

Effective maintenance of internal controls and risk indication and mitigation is handed down to the respective members of senior management within the guidelines of benchmark policies, procedures and authority limits clearly laid down.

The Group internal Audit, whose scope of scrutiny is entirely driven by grading of the risk involved, will be monitoring and providing feedback to the Management and the Audit Committee. Regular submission of compliance and internal solvency certificates vouched by the Heads of the respective divisions as a

mandatory agenda item keeps the Directors abreast of the position of the Company's resource base and governance requirements.

This allows the Board to have total control of the fulfillment of governance requirements by providing opportunity to take timely preventive action in case of potential deterioration of status quo. A comprehensive description of the risk management strategies of the Company are given on page 4 in the Annual Report.

### **9 INDEPENDENT AUDITORS**

The Company's Auditors during the year under review were Messrs. Ernst & Young, Chartered Accountants.

A sum of Rs. 243,338/- (2021 - Rs. 231,750/-) was paid to them by the Company as audit fees for the year ended 31st March 2022. Fees paid to Auditors on audit related services are given in note 04 to the financial statements.

The retiring Auditors have expressed their willingness to continue in office. A resolution to re-appoint them as Independent Auditors of the Company and authorising the Directors to fix their remuneration will be proposed at the forthcoming Annual General Meeting.

The Audit Committee reviewed the appointment of the Auditors, its effectiveness and their relationship with the Company, including the level of audit and non-audit fees paid to the Auditors.

### 9.1 **Auditors' relationship or any interest with the Company**

The Directors are satisfied that, based on written representations made by the Independent Auditors to the Board, the Auditors do not have any interest with the Company that would impair their independence.

### 10. **INDEPENDENT AUDITORS' REPORT**

The Independent Auditors' Report on the financial statements is given on pages 26 to 30 of the Annual Report.

### 11. **HUMAN RESOURCES**

With the disposal of the Malaysian Plantation Property, the Company does not have any employees as at 31st March 2022.

### 12. **EQUITABLE TREATMENT TO SHAREHOLDERS**

The Company endeavours at all times to ensure equitable treatment to all Shareholders.

### 13. **ENVIRONMENT PROTECTION**

The Company is sensitive to the needs of the environment and makes every endeavour to comply with the relevant environmental laws, regulations and best practices applicable in the country. After making adequate inquiries from the Management, the Directors are satisfied that the Company operates in a manner that minimises the detrimental effects on the environment and provides services that have a beneficial effect on the

customers and the communities within which the Company operates.

### 14. **DIVIDEND**

The company has paid an interim dividend of Rs.10.77 per share resulting in a total cash outflow of Rs. 41,828,332.

The Board of Directors have not recommended a final dividend for the year ended 31st March 2022.

### 15. **SOLENCY TEST**

Taking into account the said distribution, the Directors were satisfied that the Company met the Solvency Test requirement under Section 56 (2) of the Companies Act, No. 7 of 2007 immediately after the first interim dividend for the FY 2021/2022.

The Company's Auditors, Messrs. Ernst & Young have issued Certificates of Solvency confirming the same.

### 16. **STATED CAPITAL**

The Stated Capital of the Company as at 31st March 2022 was Rs. 68,713,070 consisting of 3,883,782 Ordinary Shares. There was no change in the Stated Capital of the Company during the year.

### 17. **STATUTORY PAYMENTS**

The Directors to the best of their knowledge and belief are satisfied that all statutory payments have been paid up to date or have been provided for in these financial statements.

## Annual Report of the Board of Directors on the Affairs of the Company

### 18. GOING CONCERN

The Board of Directors is satisfied that the Company has adequate resources to continue its operations in the foreseeable future. Accordingly, these financial statements are prepared based on the 'Going Concern' concept.

### 19. EVENTS AFTER THE REPORTING DATE

Subsequent to the reporting date, no circumstances have arisen, which would require adjustments to or disclosures in the financial statements, other than those disclosed in note 16 to the financial statements, if any.

### 23. TWENTY MAJOR SHAREHOLDERS

<i>As at 31 March</i>	<b>31st March 2022</b>		31st March 2021	
	<b>No. of shares</b>	<b>%</b>	No. of shares	%
GOODHOPE ASIA HOLDINGS LTD	<b>3,530,821</b>	<b>90.91</b>	3,530,821	90.91
MR. S.S.J.B. RANA	<b>146,966</b>	<b>3.78</b>	146,966	3.78
MAJ.GEN N.S.S.J. BAHADUR RANA	<b>41,990</b>	<b>1.08</b>	41,990	1.08
MR A.O. WANNER (DECD)	<b>20,995</b>	<b>0.54</b>	20,995	0.54
MRS M. VAN ROOYEN	<b>20,995</b>	<b>0.54</b>	20,995	0.54
MR. W.R.F. SPEARMAN	<b>20,995</b>	<b>0.54</b>	20,995	0.54
MISS. N.M. JARVIS	<b>10,497</b>	<b>0.27</b>	10,497	0.27
MR. F.W. OBEYESEKERE (DECD)	<b>8,397</b>	<b>0.22</b>	8,397	0.22
MR. C.C.S. STEPHENSON (DECD)	<b>8,397</b>	<b>0.22</b>	8,397	0.22
MR. K.C. VIGNARAJAH	<b>7,283</b>	<b>0.19</b>	7,227	0.19
MRS R.M.M. DEAN	<b>7,275</b>	<b>0.19</b>	7,275	0.19
MR A.M.A. VANDERSPAR	<b>6,858</b>	<b>0.18</b>	6,858	0.18
MRS. C.M. PAPAGEORGE	<b>6,717</b>	<b>0.17</b>	6,717	0.17
MRS. S. VIGNARAJAH	<b>6,629</b>	<b>0.17</b>	6,629	0.17
MRS M.R. LAYTON (DECD)	<b>5,176</b>	<b>0.13</b>	5,176	0.13
ADMNX. OF E. RAMIAH (DECD)	<b>5,176</b>	<b>0.13</b>	5,176	0.13
MR. N. IZAT (DECD).	<b>4,197</b>	<b>0.11</b>	4,197	0.11
MR. S.A. OBEYESEKERE	<b>2,098</b>	<b>0.05</b>	2,098	0.05
MRS. G.S. AMERASINGHE	<b>2,098</b>	<b>0.05</b>	2,098	0.05
MRS E.W. TOMALIN	<b>2,037</b>	<b>0.05</b>	2,037	0.05

### 20. CONTINGENT LIABILITIES AND CAPITAL COMMITMENT

There are no contingent liabilities and commitments made on account of capital expenditure as at 31st March 2022 as disclosed in note 14 and 17 to the financial statements, respectively.

### 21. CORPORATE DONATIONS

There were no donations made during the year ended 31st March 2022.

### 22. OUTSTANDING LITIGATION

There were no outstanding litigations as at the reporting date.

**24. SHARE INFORMATION**

The details relating to earnings, net assets, market value per share and information on share trading are given on pages 70 and 71 of this Annual Report.

**25. ANNUAL REPORT**

The information provided herein is in pursuance of the requirements of the Companies Act, No.07 of 2007 and the Listing Rules of the Colombo Stock Exchange.

The Board of Directors approved the Financial Statements of the Company together with the Reviews which form part of the Annual Report on 30th May 2022. The appropriate number of copies of the Annual Report will be submitted to the Colombo Stock Exchange, the Sri Lanka Accounting and Auditing Standards Monitoring Board and the Registrar General of Companies, within applicable time frames.

**26. ANNUAL GENERAL MEETING**

As permitted by Article 73 (A) of the Articles of Association of the Company, the 113th Annual General Meeting of the Company will be held on Thursday, the 23rd day of June 2022, at 11.00 a.m. at the 8th Floor,

No. 65C, Dharmapala Mawatha, Colombo 07, Sri Lanka by means of audio or audio and visual technology.

The Notice of the Annual General Meeting setting out the business which will be transacted thereat is on pages 75 to 76 of the Annual Report.

Signed on behalf of the Board,

*(Sgd.)*

**H. Selvanathan**

*Chairman*

*(Sgd.)*

**M. Selvanathan**

*Director*

*(Sgd.)*

**K.D. De Silva (Mrs.)**

*Director*

**Carsons Management Services (Private) Limited**

*Secretaries*

Colombo

30th May 2022

# Audit Committee Report

## Audit Committee

In accordance with the Colombo Stock Exchange Listing Rules, the Audit Committee of Carson Cumberbatch PLC (CCPLC), the Parent Company of Goodhope Asia Holdings Limited (GAHL), functions as the Audit Committee of the Company.

The Audit Committee consists of the following Members.

Audit Committee Members	Executive/ Non-Executive/ Independent
Mr.A.S. Amaratunga (Chairman)	Non-Executive, Independent (CCPLC)
Mr.D.C.R. Gunawardena	Non-Executive (CCPLC)
Mr.Y.H. Ong	Non-Executive, Independent (CCPLC)

Mr.A.S. Amaratunga, a Non-Executive, Independent Director of CCPLC, is also a Non-Executive, Independent Director of Hemas Holdings PLC, Chairman of Hemas Holdings PLC-Audit Committee, Members of MAS Holdings Audit Committee and a Commissioner of PT Agro Indomas, Indonesia, a subsidiary of CCPLC.

Mr.D.C.R. Gunawardena is a Non-Executive Director of CCPLC and in most of its Group Companies. He is a Fellow of the Chartered Institute of Management Accountants, U.K.

Mr.Y.H. Ong is a Non-Executive, Independent Director of CCPLC. He is an Independent Non-Executive Director,

Chairman of the Audit Committee and Member of the Nominating Committee of Singapore Power Ltd. and Capitaland Group Pte Ltd. He has served as Independent Director of United Overseas Bank Ltd., Singapore. Mr.Ong had also served at Ernst & Young, Singapore for 30 years and was involved in audit and financial advisory work etc.

The audit aspects of Good Hope PLC are conducted within the Agenda of CCPLC - Audit Committee.

The Company holds and manages an investment portfolio.

## Meetings of the Audit Committee

As allowed by the CCPLC-Audit Committee Charter, CCPLC-Audit Committee held six (06) virtual Meetings during the financial year to discuss matters relating to the Company.

The attendance of the Members at Committee Meetings were as follows:

	Meetings (virtual) attended (out of 6)
Mr.A.S. Amaratunga (Chairman)	6/6
Mr.D.C.R. Gunawardena	6/6
Mr.Y.H. Ong	6/6

The Audit Committee Meetings were attended by the Country Head (Sri Lanka) and Head of Finance-MIS & Reporting, Agro Harapan Lestari (Private) Limited, Managers.

The Audit Committee met the External Auditors, Messrs. Ernst & Young twice during the year to discuss the audit scope and to deliberate the draft Financial Report and Accounts.

Following the Audit Committee Meetings, the Chairman-Audit Committee issues a written update for circulation to the Board, as relevant, indicating the important matters discussed and decisions taken in respect of the Company. In addition, Minutes/extracts of the Minutes of Audit Committee Meetings are circulated to the Board of Directors.

### **Purpose of the Audit Committee**

To assist the Board of Directors in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control over financial reporting, the audit process and the Company's process for monitoring compliance with laws and regulations, Company policies and procedures and the code of conduct.

To ensure that the internal audit activity is well managed, so that it adds value to the organisation by being objective in providing relevant assurance, contributing to the effectiveness and efficiency of governance, risk management and control processes. Also, to select and implement a direct reporting relationship with the Company's External Auditors and ensuring their independence.

### **Financial Statements**

The interim financial statements of Good Hope PLC have been reviewed by the

Audit Committee Members. The draft financial statements of Good Hope PLC for the year ended 31st March 2022 were also reviewed at a Meeting of the Audit Committee Members, together with the External Auditors, Messrs. Ernst & Young, prior to approval by the Board of Directors and release of same to the Regulatory Authorities and to the shareholders.

The Audit Committee Members were provided with confirmations and declarations as required by the Managers, Agro Harapan Lestari (Private) Limited that the said financial statements were prepared in accordance with the Sri Lanka Accounting Standards (SLFRS/LKAS) and the information required by the Companies Act No. 7 of 2007 therein and presented a true and fair view of the Company's state of affairs as at that date and the Company's activities during the year under review.

### **Internal Audit**

The operations of the Company have been scaled down only to the investments in Shalimar Developments Sdn Bhd, which is the investment arm within the Group. Since no new investments were made, the risks are very minimal and thus no internal audits were carried out during the year.

### **Performance of the investments held by the Company**

The Company's investments in PT Agro Indomas (PTAI), held through Shalimar Developments Sdn Bhd is managed by the group's (GAHL) fully owned management arm in Indonesia, PT Agro Harapan Lestari.

## **Audit Committee Report**

GAHL's Audit Committee covers audit obligations over Indonesian plantation operations incorporated in Indonesia, including PTAI.

### **External Audit**

The External Auditors' Letter of Engagement was reviewed and discussed by the Committee with them and Management prior to the commencement of the audit and the Committee followed up on the issues raised by the External Auditors.

The Members of the Audit Committee have determined that the independence of Messrs. Ernst & Young, Chartered Accountants has not been impaired by any event or service that gives rise to a conflict of interest. The Committee also reviewed the arrangements made by the Auditors to maintain their independence and confirmation has been received from the Auditors of their compliance with the independence guidance given in the Code of Ethics of the Institute of Chartered Accountants of Sri Lanka.

The Members of the Audit Committee have concurred to recommend to the Board of Directors, the re-appointment of Messrs. Ernst & Young, Chartered Accountants, as Auditors for the financial year ending 31st March 2023, subject to the approval of the shareholders of Good Hope PLC at the Annual General Meeting.

*(Sgd.)*

**A.S. Amaratunga**

*Chairman – Audit Committee*

**Carson Cumberbatch PLC**

30th May 2022



# Related Party Transactions Review Committee Report

In accordance with the Colombo Stock Exchange Listing Rules, the Related Party Transactions Review Committee (RPTRC) of Carson Cumberbatch PLC (CCPLC), the Parent Company of Goodhope Asia Holdings Limited, functions as the RPTRC of the Company.

The Company holds and manages an investment portfolio.

## Composition of the Committee

The Members of the RPTRC are as follows :

RPTRC Members	Executive/ Non-Executive/ Independent
Mr.W.M.R.S. Dias (Chairman)	Non-Executive, Independent (CCPLC)
Mr.D.C.R. Gunawardena	Non-Executive (CCPLC)
Mr.H. Selvanathan	Executive Director (CCPLC)
Mr.M. Selvanathan	Executive Director (CCPLC)
Mr.S.K. Shah	Non-Executive Director (CCPLC)
Mr.R. Theagarajah	Non-Executive, Independent (CCPLC)

## Meetings of the Related Party Transactions Review Committee

CCPLC-RPTRC held One (01) virtual Meeting in each calendar quarter and a total of Four (04) RPTRC Meetings were held during the financial year. In addition, the approval of the RPTRC Members were sought via 10

Circular Resolutions, as well as 12 Circular Letters were circulated for their information during the financial year.

The attendance of the Members at Committee Meetings were as follows:

	Meetings (virtual) attended (out of 04)
Mr.W.M.R.S. Dias (Chairman)	4/4
Mr.D.C.R. Gunawardena	4/4
Mr.H. Selvanathan	3/4
Mr.M. Selvanathan	4/4
Mr.S.K. Shah	4/4
Mr.R. Theagarajah	3/4

## Purpose of the Committee

The objective of the RPTRC is to review all Related Party Transactions (RPTs) of the Listed Companies of the Carsons Group, other than those exempted by the Carsons Group RPT Code, prior to the transaction being entered into or, if the transaction is expressed to be conditional on such review, prior to the completion of the transaction.

## Policies and procedures

- The RPTRC reviews the relevant Related Party Transactions of the Listed Companies of the Carsons Group and where the Committee decides that the approval of the Board of Directors of the respective Companies are necessary to approve a Related Party Transaction, such Board approval is obtained prior to entering into the relevant Related Party Transaction.

## Related Party Transactions Review Committee Report

- When reviewing a transaction, the RPTRC would decide whether the proposed transaction is carried out on an arm's length basis irrespective of whether it is recurrent or non-recurrent in nature.
- Reviewing and approval would be either by meeting of members (subject to quorum being present) or by circulation.
- In determining whether to obtain the approval of the Board of Directors for a Related Party Transaction, the RPTRC will take into account, among other factors it deems appropriate, whether the proposed RPTs pose a conflict of interest to the Directors.

The self-declarations from the Directors and Key Management Personnel are obtained for the purpose of identifying parties related to them. Further, the guidelines which senior management must follow in routing Related Party Transactions to the relevant forum, including transaction threshold values and pricing where applicable have been documented even in the case of once approved recurrent transactions which are of operational nature, which as per the Carsons Group RPT Code need not be repeatedly approved, if within the broad thresholds.

The RPTRC in discharging its function endeavours to ensure that:

- there is compliance with the Carsons Group RPT Code;
- shareholder interests are protected; and
- fairness and transparency are maintained.

The Committee has a criteria for designating Carsons Group Key Management Personnel (KMP) and quarterly disclosures are made by the KMPs so designated, as relevant.

The Related Party Transactions of the Company for the period 1st April 2021 to 31st March 2022 have been reviewed by the Members of the RPTRC and the comments and observations of the Committee have been communicated to the Board of Directors of the Company.

*(Sgd.)*

**W.M.R.S. Dias**

*Chairman – Related Party Transactions Review Committee*

**Carson Cumberbatch PLC**

Colombo  
30th May 2022

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# Independent Auditors' Report



Ernst & Young  
Chartered Accountants  
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## TO THE SHAREHOLDERS OF GOOD HOPE PLC

### Report on the audit of the financial statements

#### Opinion

We have audited the financial statements of Good Hope PLC ("the Company"), which comprise the statement of financial position as at 31 March 2022, and the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2022 and its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

#### Basis for opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards ("SLAuSs"). Our responsibilities under those standards are further described in the Auditor's

responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by The Institute of Chartered Accountants of Sri Lanka ("Code of Ethics") and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements of the current period. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation

Partners: H M A Jayasinghe FCA FCMA, R N de Saram ACA FCMA, Ms. N A De Silva FCA, W R H De Silva FCA ACMA, Ms. Y A De Silva FCA, Ms. K R M Fernando FCA ACMA, N Y R L Fernando ACA, W K B S P Fernando FCA FCMA, Ms. L K H L Fonseka FCA, D N Gamage ACA ACMA, A P A Gunasekera FCA FCMA, A Herath FCA, D K Hutlangamuwa FCA FCMA LLB (London), Ms. A A Ludowyke FCA FCMA, Ms. G G S Manatunga FCA, A A J R Perera ACA ACMA, Ms. P V K N Sajeewani FCA N M Sultaim ACA ACMA, B E Wijesuriya FCA FCMA, C A Yalagala ACA ACMA

Principals: G B Goudian ACMA, Ms. P S Paranavitane ACMA LLB (Colombo), T P M Ruberu FCMA FCCA

A member firm of Ernst & Young Global Limited

to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of

the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

### Key Audit Matter

#### Valuation of unquoted equity investment at Fair Value through Other Comprehensive Income (FVOCI)

The Company's financial assets at Fair Value through Other Comprehensive Income (FVOCI) consists of an unquoted equity investment in Shalimar Developments Sdn. Bhd (SDSB). The fair value of the unquoted equity investment is Rs. 10,486.43 Mn at the reporting date and has been valued based on the adjusted net asset basis. SDSB's net assets represent the investment value of its investee, PT Agro Indomas (PTAI) which was determined based on the income approach, using discounted cash flow method. PTAI's investment value significantly depends on the fair value of its palm oil plantation.

We determined the valuation of the unquoted equity investment as a key audit matter due to the following:

- The materiality of the reported balance which represents 97.7% of total assets.
- The degree of management judgements, assumptions and estimates associated with valuation of unquoted equity investments at fair value, such as
  - determining the appropriate valuation techniques to be used for the valuation of SDSB's unquoted equity shares and PTAI's palm oil plantation.
  - and
  - use of unobservable inputs such as crude palm oil price ("CPO"), discount rate and yield per hectare in the valuation of PTAI's palm oil plantation, as further disclosed in notes 3 and 8 to the financial statements.

### How our audit addressed the key audit matter

Our audit procedures included among others:

- We assessed the competency, capability and objectivity and expertise of the management's external expert engaged for the valuation.
- We engaged our internal specialized resources to assist us in evaluating the appropriateness of valuation techniques used by management's external expert and reasonableness of the significant management judgements and assumptions used, in particularly those relating to CPO, discount rate and yield per hectare.
- Checked the key data used in the valuation.
- We assessed the adequacy of the disclosures made in Notes 3 and 8 in the financial statements.

## **Independent Auditors' Report**

### **Other information included in the Company's 2021/22 Annual Report**

Other information consists of the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The Management is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of management and those charged with governance for the financial statements**

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SLAuSS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SLAuSS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to

the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and


## **Independent Auditors' Report**

are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on other legal and regulatory requirements**

As required by section 163 (2) of the Companies Act No. 07 of 2007, we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company.

The Institute of Chartered Accountants of Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 2440.



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**Of ERNST AND YOUNG**

*Chartered Accountants*

30th May 2022

Colombo



## Statement of Profit or Loss

<i>Year ended 31 March</i>		<b>2022</b>	2021
	Notes	<b>Rs. '000</b>	Rs. '000
Dividend Income		<b>22,845</b>	-
Interest Income		<b>1,918</b>	3,935
Other Income	13.1	<b>259</b>	1,444
Administrative Expenses		<b>(1,994)</b>	(1,168)
<b>Profit before Tax</b>	4	<b>23,028</b>	4,211
Income Tax Expense	5	<b>(117)</b>	(664)
<b>Profit for the year</b>		<b>22,911</b>	3,547
<b>Earnings per Share (Rs.)</b>	6	<b>5.90</b>	0.91

The Accounting Policies and Notes from pages 36 to 60 form an integral part of these Financial Statements.

## Statement of Comprehensive Income

<i>Year ended 31 March</i>		<b>2022</b>	2021
	Notes	<b>Rs. '000</b>	Rs. '000
<b>Profit for the year</b>		<b>22,911</b>	3,547
<b>Other Comprehensive Income</b>			
<b>Other Comprehensive Income not to be reclassified to Profit or Loss in subsequent periods;</b>			
Gain on Change in Fair Value of Financial Assets classified under FVOCI	8	<b>3,591,354</b>	1,278,821
<b>Net Other Comprehensive Income not to be reclassified to Profit or Loss in subsequent periods</b>		<b>3,591,354</b>	1,278,821
<b>Other Comprehensive Income for the year, Net of Tax</b>		<b>3,591,354</b>	1,278,821
<b>Total Comprehensive Income for the year, Net of Tax</b>		<b>3,614,265</b>	1,282,368

The Accounting Policies and Notes from pages 36 to 60 form an integral part of these Financial Statements.

# Statement of Financial Position

<i>As at 31 March</i>		<b>2022</b>	2021
	Notes	<b>Rs. '000</b>	Rs. '000
<b>Assets</b>			
<b>Non-Current Asset</b>			
Property, Plant and Equipment	7	<b>311</b>	113
Other Non-Current Financial Assets	8	<b>10,688,818</b>	7,097,464
<b>Total Non-Current Asset</b>		<b>10,689,129</b>	7,097,577
<b>Current Assets</b>			
Advances and Prepayments		<b>338</b>	349
Income Tax Receivable		<b>631</b>	582
Short Term Investment	10	<b>36,233</b>	53,469
Cash and Cash Equivalents	9	<b>5,487</b>	5,740
<b>Total Current Assets</b>		<b>42,689</b>	60,140
<b>Total Assets</b>		<b>10,731,818</b>	7,157,717
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Stated Capital	11	<b>68,713</b>	68,713
Retained Earnings		<b>92,971</b>	111,888
Other Reserves	12	<b>10,537,434</b>	6,946,080
<b>Total Shareholders' Funds</b>		<b>10,699,118</b>	7,126,681
<b>Current Liabilities</b>			
Other Payables	13	<b>32,357</b>	30,779
Provisions and Accrued Expenses		<b>343</b>	257
<b>Total Current Liabilities</b>		<b>32,700</b>	31,036
<b>Total Liabilities</b>		<b>32,700</b>	31,036
<b>Total Equity and Liabilities</b>		<b>10,731,818</b>	7,157,717
<b>Net Assets per Ordinary Share (Rs.)</b>		<b>2,754.82</b>	1,834.98

The Accounting Policies and Notes from pages 36 to 60 form an integral part of these Financial Statements.

I certify that these Financial Statements are in compliance with the requirements of the Companies Act No. 07 of 2007.

(Sgd.)

**Aneesh Dudeja**

*President / Chief Financial Officer*

The Board of Directors is responsible for these Financial Statements.

Signed for and on behalf of the Managers. Signed for and on behalf of the Board.

(Sgd.)

**A.R. Azeez**

*Director*

(Sgd.)

**H. Selvanathan**

*Chairman*

(Sgd.)

**M. Selvanathan**

*Director*

**Agro Harapan Lestari (Pvt) Ltd**

30th May 2022

Colombo

## Statement of Changes in Equity

Year ended 31 March	Stated Capital		Fair Value Reserve		Retained Earnings		Total Shareholders' Funds	
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Balance as at 1 April 2020	68,713	5,667,259	108,341	5,844,313	-	3,547	1,278,821	7,126,681
Profit for the year	-	-	3,547	-	-	-	1,278,821	1,282,368
Other Comprehensive Income	-	1,278,821	-	1,278,821	-	-	1,278,821	1,282,368
Total Comprehensive Income for the year	-	1,278,821	3,547	1,278,821	-	-	1,278,821	1,282,368
Balance as at 31 March 2021	68,713	6,946,080	111,888	7,126,681	-	-	1,278,821	1,282,368
Profit for the year	-	-	22,911	22,911	-	-	3,591,354	3,591,354
Other Comprehensive Income	-	3,591,354	-	3,591,354	-	-	3,591,354	3,591,354
Total comprehensive Income	-	3,591,354	22,911	3,614,265	-	-	3,614,265	3,614,265
Interim Dividend - Ordinary Shares - (Note 6.1)	-	-	(41,828)	(41,828)	-	-	(41,828)	(41,828)
<b>Balance as at 31 March 2022</b>	<b>68,713</b>	<b>10,537,434</b>	<b>92,971</b>	<b>10,699,118</b>	<b>92,971</b>	<b>10,699,118</b>	<b>10,699,118</b>	<b>10,699,118</b>

The Accounting Policies and Notes from pages 36 to 60 form an integral part of these Financial Statements.

# Cash Flow Statement

<i>Year ended 31 March</i>		<b>2022</b>	2021
	Notes	Rs. '000	Rs. '000
<b>Operating Activities</b>			
Profit before Tax		<b>23,028</b>	4,211
Adjustments for:			
Depreciation	7	<b>172</b>	59
Unclaimed Dividend Forfeited	13.1	<b>(259)</b>	(1,444)
Dividend Income		<b>(22,845)</b>	-
Interest Income		<b>(1,918)</b>	(3,935)
<b>Operating Loss before Working Capital Changes</b>		<b>(1,822)</b>	(1,109)
<b>Working Capital Changes:</b>			
Advances and Prepayments		<b>11</b>	817
Provisions and Accrued Expenses		<b>85</b>	(535)
<b>Cash Flows Used In Operations</b>		<b>(1,726)</b>	(827)
Income Tax Paid		<b>(166)</b>	-
<b>Net Cash Flows Used In Operating Activities</b>		<b>(1,892)</b>	(827)
<b>Investing Activities</b>			
Acquisition of Property, Plant and Equipment	7	<b>(370)</b>	-
Dividend Income		<b>22,845</b>	-
Interest Received		<b>1,136</b>	2,850
Investment in Short Term Deposits		<b>18,019</b>	(10,185)
<b>Net Cash Flows From / (Used In) Investing Activities</b>		<b>41,630</b>	(7,335)
<b>Financing Activities</b>			
Dividend Paid		<b>(41,828)</b>	-
Unclaimed Dividend during the year	13.1	<b>1,837</b>	-
<b>Net Cash Flows used in Financing Activities</b>		<b>(39,991)</b>	-
<b>Net Decrease in Cash and Cash Equivalents</b>		<b>(253)</b>	(8,162)
<b>Cash and Cash Equivalents at the beginning of the year</b>		<b>5,740</b>	13,902
<b>Cash and Cash Equivalents at the end of the year</b>	9	<b>5,487</b>	5,740

The Accounting Policies and Notes from pages 36 to 60 form an integral part of these Financial Statements.

# Notes to the Financial Statements

## 1. CORPORATE INFORMATION

### 1.1 General

Good Hope PLC (“Company”) is a public quoted company with limited liability, incorporated and domiciled in Sri Lanka. The registered office of the Company is located at No. 61, Janadhipathi Mawatha, Colombo 01.

### 1.2 Principal Activities and Nature of Operations

The principal activity of the Company is managing and holding of an investment portfolio.

### 1.3 Parent Entity and Ultimate Parent Entity

The Company’s parent entity is Good Hope Asia Holdings Limited incorporated in Singapore. In the opinion of the directors, the Company’s ultimate parent undertaking and controlling party is Bukit Darah PLC which is incorporated in Sri Lanka.

### 1.4 Date of Authorisation for Issue

The Financial Statements of Good Hope PLC for the year ended 31 March 2022 was authorised for issue in accordance with a resolution of the Board of Directors on 30th May 2022.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### 2.1 General Accounting Policies

#### 2.1.1 Statement of Compliance

The Financial Statements of Good Hope PLC comprises the Statement of Profit or Loss, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Statement of Cash Flows, together with the Accounting Policies and Notes to the Financial Statements.

These financial statements are prepared in accordance with the Sri Lanka Accounting Standards comprising SLFRS and LKAS (hereafter “SLFRS”) as issued by the Institute of Chartered Accountants of Sri Lanka, and also in compliance with the requirements of the Companies Act No. 07 of 2007.

#### 2.1.2 Basis of Preparation

The Financial Statements of the Company have been prepared in accordance with Sri Lanka Accounting Standards (SLFRS and LKAS) as issued by Institute of Chartered Accountants of Sri Lanka.

The Financial Statements have been prepared on a historical cost basis, except for the following material items in the statement of Financial Position;

- Financial assets classified under Fair Value through Other Comprehensive Income.

### 2.1.3 Comparative Figures

Certain comparative figures have been reclassified in order to conform to the presentation for the current period. Such reclassifications were made to improve the quality of presentation and do not affect previously reported profit or equity.

## 2.2 Changes in Accounting Policies and Disclosures

### 2.2.1 New and Amended Standards and Interpretations

The accounting policies adopted are consistent with those of the previous financial year except for the changes in accounting policies described in Note 2.2.2.

### 2.2.2 Standards issued but not yet effective

The new and amended standards that are issued, but not yet effective to the date of issuance of these financial statements are disclosed below.

- SLFRS 17 - Insurance Contracts
- Amendments to LKAS 37 Provisions, Contingent Liabilities and Contingent Assets : Onerous Contracts – Costs of Fulfilling a Contract
- Amendments to LKAS 16 Property, Plant & Equipment : Proceeds before Intended Use

- Amendments to SLFRS 3 Business Combinations : Updating a reference to conceptual framework

While SLFRS 17 is effective for reporting periods beginning on or after 1 January 2023 all the other amendments are effective for the annual periods beginning on or after 1 January 2022 .

### Amendments to LKAS 37 Provisions, Contingent Liabilities and Contingent Assets : Onerous Contracts – Costs of Fulfilling a Contract

In March 2021, the ICASL adopted amendments to LKAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a “directly related cost approach”. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022. The Company will apply these amendments to contracts for which it has not yet fulfilled all its obligations

## Notes to the Financial Statements

at the beginning of the annual reporting period in which it first applies the amendments.

### **Amendments to LKAS 16 Property, Plant & Equipment : Proceeds before Intended Use**

In 25 March 2021, the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) issued LKAS 16 Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

### **Amendments to SLFRS 3 Business Combinations : Updating a reference to conceptual framework**

In 23 March 2021, the Institute of Chartered Accountants of

Sri Lanka (CA Sri Lanka) issued amendments to SLFRS 3 Business Combinations - Updating a Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

An exception was also added to the recognition principle of SLFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of LKAS 37 or IFRIC 21 Levies, if incurred separately.

At the same time, it was decided to clarify existing guidance in SLFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively.



## 2.3 Summary of Significant Accounting Policies

### 2.3.1 Conversion of Foreign Currencies

#### (a) Presentation Currency

The Financial Statements are presented in Sri Lanka Rupees.

#### (b) Investment Operations in Sri Lanka

The functional currency of the investment operations in Sri Lanka is Sri Lanka Rupees. Transactions in foreign currencies are initially translated into functional currency using the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies as at the reporting date are translated at the functional currency rate of exchange ruling at that date. The exchange differences arising on translation are taken to the Statement of Profit or Loss. The exchange gains or losses of fair value through Other Comprehensive Income are taken to Other Comprehensive Income.

### 2.3.2 Property, Plant and Equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment loss. Such cost includes the cost of replacing part of the property, plant and equipment. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property, plant and equipment and the cost can be reliably measured.

All other expenditure is recognised in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

Computer Equipment    Over 03 Years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount being the higher of their fair value less costs to sell and their value in use.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Comprehensive Income when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at

## Notes to the Financial Statements

each financial year end and adjusted prospectively, if appropriate.

### 2.3.3 Financial Instruments — Initial Recognition and Subsequent Measurement

#### Financial Assets

##### Initial Recognition and Measurement

Financial assets within the scope of SLFRS 09 are broadly categorised as financial assets at amortised cost, fair value through profit or loss and financial assets at fair value through other comprehensive income.

The Company determines the classification of its financial assets at initial recognition. All financial assets are recognised initially at fair value plus (in the case of assets not at fair value through profit or loss) directly attributable transaction costs. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

The Company's financial assets include bank balances, short-term deposits, and fair value through other comprehensive income (FVOCI) financial assets.

#### Subsequent Measurement

The subsequent measurement of financial assets depends on their classification as follows:

##### (a) Debt Instruments at Amortised Cost

The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost includes bank balances and short term deposits under current financial assets.

##### (b) Financial Assets classified under Fair Value through Other Comprehensive Income

Financial Assets classified under Fair Value through Other Comprehensive Income only includes the equity

instruments, which the Company intends to hold for the foreseeable future and which the Company has irrevocably elected to classify upon transition. There is no recycling of gains or losses to profit or loss on derecognition and the dividend received as a result of holding this investment will be recognised to profit or loss.

### De-recognition

A financial asset is de-recognised when:

- The rights to receive cash flows from the asset have expired
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all of the risks and

rewards of the asset nor transferred control of it, the asset is recognised to the extent of the Company's continuing involvement in it.

### Impairment of Financial Assets

SLFRS 09 establishes a new model for impairment which is a forward-looking expected credit loss model.

The Company assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. The guiding principle of the expected credit loss (ECL) model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments. The amount of ECLs recognised as a loss allowance or provision depends on the extent of credit deterioration since initial recognition.

Company presents its Short-term investments and short-term deposits at Amortised Cost. Financial assets have been assessed under 12-month expected credit loss model. Company holds these Financial Assets at Financial Institutions with high credit ratings and therefore believes no evidence exist to make impairment provisions.

## Notes to the Financial Statements

### **Financial Assets categorised as Fair Value through OCI**

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. For financial instruments not traded in an active market, the fair value is determined based on income approach that estimates the fair value by discounting projected cash flows in a discrete projection period to present value.

### **Financial Liabilities**

#### **Initial Recognition and Measurement**

The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs. The Company's financial liabilities include other payables.

#### **Subsequent Measurement**

The subsequent measurement of financial liabilities depends on their classification as follows:

#### **Other Payables**

Liabilities are recognised for amounts to be paid in the future for assets

or services received, whether billed by the supplier or not. The financial liabilities are subsequently measured at amortised cost using the (Effective Interest Rate) EIR method.

#### **De-recognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expired.

#### **Offsetting of Financial Instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### **2.3.4 Provisions**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

### 2.3.5 Income

#### Gains and Losses

Net gains and losses of a revenue nature arising from the disposal of other noncurrent assets, are accounted in the Statement of Profit or Loss, after deducting the carrying amount from proceeds on disposal of such assets and the related selling expenses.

Gains and losses arising from activities incidental to the main revenue generating activities and those arising from a group of similar transactions, which are not material are aggregated, reported and presented on a net basis.

#### Interest Income

Interest income is recorded as it accrues using the effective interest method.

#### Dividend Income

Dividend income is recognised when the Company's right to receive the payments is established.

#### Others

Other income is recognised on an accrual basis.

### 2.3.6 Expenditure Recognition

Expenses are recognised in the statement of profit or loss on the basis of a direct association between the cost incurred and the earning of specific items of income. All

expenditure incurred in the running of the business has been charged to the Statement of Profit or Loss.

For the purpose of presentation of the Statement of Profit or Loss, the Directors are of the opinion that "function of expenses" method presents fairly the elements of the Company's performance, and hence such presentation method is adopted.

#### Others

Other expenses are recognised on an accrual basis.

### 2.3.7 Taxation

#### (a) Current Income Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Liability to taxation of the Company is made after claiming relief available in terms of the Double Taxation Agreement entered into between

## Notes to the Financial Statements

the Governments of Malaysia and Sri Lanka.

### (b) Deferred Taxation

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from an asset or liability in a transaction that affects neither the accounting profit nor the taxable profit.

Deferred tax assets are recognised for all deductible differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profits will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- Where the deferred tax assets relating to deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that affects neither the accounting profit nor the taxable profit.

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that

it is no longer probable that sufficient taxable profits will be available to allow the deferred tax assets to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the assets are realised or the liabilities are settled, based on tax rates and tax laws that have been enacted or substantially enacted at the reporting date.

Deferred tax relating to items recognised outside the Statement of Profit or Loss is recognised outside the Statement of Profit or Loss. Deferred tax items are recognised in correlation to the underlying transaction either in the Statement of Profit or Loss or Statement of Other Comprehensive Income.

### 2.3.8 Current versus Non-Current Classification

The Company presents assets and liabilities in the Statement of Financial Position based on current/ non-current classification. An asset is classified as current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

### 2.3.9 Fair Value Measurement

The Company measures equity instruments at fair value at each reporting date. Fair value related disclosures for financial instruments

are summarised in the following notes;

	<b>Notes</b>
Disclosures for valuation methods, significant estimates and assumptions	Note 8
Quantitative disclosures of fair value measurement hierarchy	Note 20
Investment in quoted / unquoted equity shares	Note 8
Financial instruments	Note 20

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either;

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use

## Notes to the Financial Statements

when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets for which fair value is measured or disclosed in the Financial Statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets that are recognised in the Financial Statements on a recurring basis, the Company determines whether transfers have occurred

between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of unquoted investments. Involvement of external valuers is decided upon annually by the Management after discussion with and approval by the Company's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the Management analyses the movements in the values of assets which are required to be remeasured or reassessed as per the Company's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset with relevant external



sources to determine whether the change is reasonable.

The Management presents the valuation results to the Audit Committee and the Company's independent auditors. This includes a discussion of the major assumptions used in the valuations.

For the purpose of fair value disclosures, the Company has determined classes of assets on the basis of the nature, characteristics and risks of the asset and the level of the fair value hierarchy as explained above.

### 2.3.10 Cash and Cash Equivalents

Cash and Cash Equivalents in the Statement of Financial Position comprise cash at banks and short-term deposits which are subject to an insignificant risk of changes in value.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of bank balances and short-term deposits with a maturity of three months or less.

### 2.3.11 Segment Reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions

with any of the Company's other components. All operating segments' operating results are reviewed regularly by the senior management to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the senior management and board of directors include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Company operates under one single segment.

## 3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of income, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

## Notes to the Financial Statements

The estimates and underlying assumptions are reviewed regularly. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period or in the period of the revision and future periods, if the revision affects both current and future.

### Fair Value Measurement of Assets classified under FVOCI

The Company engaged an independent valuation specialist to assess fair value of unquoted equity shares as at 31 December 2021 and 31 December 2020. Unquoted equity shares of Shalimar Developments Sdn. Bhd. has been valued based on adjusted net asset basis. Such net assets represent the investment value of PT Agro Indomas (PTAI) which was determined based on income approach using discounted cash flow method. A degree of judgement is required in establishing fair value and changes in assumptions could affect the reported fair value. The key assumptions used to determine the fair value of the unquoted equity shares and sensitivity analysis are provided in Notes 8 and 20.

### Going Concern

The outbreak and spread of the coronavirus globally since January 2020 have caused disruption

to business and activities, and uncertainty to the global economy. Quarantine measures taken by respective countries widely affected the Trust's operations directly or indirectly linked to industry sectors such as Financials, Agriculture, Manufacturing, Tourism, Transportation, Construction, Trade, Services, Consumption.

In preparing these financial statements, based on available information, the management has assessed the existing and anticipated effects of COVID-19 on the Company and the appropriateness of the use of the going concern basis.

Having presented the outlook to the Board, the Directors are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future and continue to adopt the going concern basis in preparing these financial statements.

**4. PROFIT BEFORE TAX**

Profit before tax is stated after charging all expenses including the following:

<i>Year ended 31 March</i>	<b>2022</b>	2021
	<b>Rs. '000</b>	Rs. '000
Auditors' Remuneration	<b>243</b>	232
Directors' Fees (Note 18.2)	<b>460</b>	140
Professional Fees	<b>136</b>	88

**5. TAXATION****5.1 Major Components of Income Tax Expense**

The major components of income tax expense for the financial year ended 31 March are as follows:

<i>Year ended 31 March</i>	<b>2022</b>	2021
	<b>Rs. '000</b>	Rs. '000
<b>Statement of Profit or Loss</b>		
<b>Current Income Tax</b>		
Current Income Tax Expense	<b>117</b>	664
<b>Income Tax Expense recognised in Statement of Profit or Loss</b>	<b>117</b>	664

## Notes to the Financial Statements

### 5.2 Relationship between Income Tax Expense and Accounting Profit / (Loss)

The reconciliation between tax expense and the product of accounting profit / (loss) multiplied by the applicable corporate tax rate for the financial year ended 31 March are as follows:

<i>Year ended 31 March</i>	<b>2022</b>	2021
	<b>Rs. '000</b>	Rs. '000
Profit before Tax	<b>23,028</b>	4,211
Allowable Items	<b>(25,131)</b>	(5,414)
Disallowable Items	<b>172</b>	59
<b>Business Income/ (Loss)</b>	<b>(1,931)</b>	(1,144)
Interest Income	<b>1,918</b>	3,935
Dividend Income	<b>22,845</b>	
Exempted Income	<b>(21,995)</b>	-
Deductions under Section 19	<b>(1,931)</b>	(1,169)
<b>Taxable Income</b>	<b>837</b>	2,766
Income Tax at 24% on Taxable Income	-	664
Income Tax at 14% on Taxable Income	<b>117</b>	-
<b>Current Income Tax Charge</b>	<b>117</b>	664
Current Income Tax Charge	<b>117</b>	664
<b>Total Income Tax Charge</b>	<b>117</b>	664
<b>Tax Losses</b>		
Balance as at 01 April	-	24
Loss incurred during the year	<b>1,931</b>	1,144
Loss set-off for the current year	<b>(1,931)</b>	(1,169)
<b>Balance as at 31 March</b>	-	-

### 6. EARNINGS PER SHARE

The calculation of earnings per ordinary share is based on the profit after taxation over the weighted average number of ordinary shares in issue during the year.

Given below is the computation of earning per share:

<i>Year ended 31 March</i>	<b>2022</b>	2021
	<b>Rs.</b>	Rs.
<b>Numerator</b>		
Profit for the year (Rs.)	<b>22,911,125</b>	3,546,573
<b>Profit attributable to Ordinary Shareholders (Rs.)</b>	<b>22,911,125</b>	3,546,573
<b>Denominator</b>		
Weighted Average Number of Ordinary Shares	<b>3,883,782</b>	3,883,782
<b>Earnings per Share (Rs.)</b>	<b>5.90</b>	0.91

**6.1. Dividend declared and Paid**

<i>Year ended 31 March</i>	<b>2022</b>	2021
	<b>Rs.</b>	Rs.

**Dividend paid on Ordinary Shares during the year**

Interim Dividend for 2022: Rs. 10.77 per share	<b>41,828,332</b>	-
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Dividend per Share (Rs.)*	<b>10.77</b>	-
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\*Dividend per share is calculated by considering the dividend paid for the year divided by the number of shares in issue which ranked for those divided.

**7. PROPERTY, PLANT AND EQUIPMENT****7.1. Gross Carrying Amounts**

<i>Year ended 31 March</i>	<b>Balance As at 01.04.2021</b>	<b>Additions</b>	<b>Write-off/ Disposals</b>	<b>Balance As at 31.03.2022</b>
	<b>Rs. '000.</b>	<b>Rs. '000</b>	<b>Rs. '000</b>	<b>Rs. '000</b>
<b>At Cost</b>				
Computer Equipment	177	370	-	547
<b>Total Value of Depreciable Assets</b>	<b>177</b>	<b>370</b>	<b>-</b>	<b>547</b>

**7.2 Depreciation**

<i>Year ended 31 March</i>	<b>Balance As at 01.04.2021</b>	<b>Charge for the year</b>	<b>Write-off/ Disposals</b>	<b>Balance As at 31.03.2022</b>
	<b>Rs. '000</b>	<b>Rs. '000</b>	<b>Rs. '000</b>	<b>Rs. '000</b>
<b>At Cost</b>				
Computer Equipments	64	172	-	236
<b>Total Depreciation</b>	<b>64</b>	<b>172</b>	<b>-</b>	<b>236</b>

**7.3 Net Book Values**

<i>Year ended 31 March</i>	<b>2022</b>	2021
	<b>Rs. '000</b>	Rs. '000
<b>Computer Equipments</b>	<b>311</b>	113
	<b>311</b>	113

## Notes to the Financial Statements

- 7.4** During the year, the Company acquired property plant and equipment to the aggregate value of Rs. 370,000 (2021: Nil).
- 7.5** Cash payments amounting to Rs.370,000 (2021: Nil) were made during the period for the purchase of property, plant and equipment.

### 8. OTHER NON-CURRENT FINANCIAL ASSETS

Year ended 31 March	Unquoted Equity Shares		Quoted Equity Shares		Total	
	2022	2021	2022	2021	2022	2021
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
<b>Financial Assets classified as Fair Value through OCI</b>						
As at 01 April	<b>6,896,135</b>	5,568,053	<b>201,329</b>	250,590	<b>7,097,464</b>	5,818,643
Gain on Change in Fair Value	<b>3,590,300</b>	1,328,082	<b>1,054</b>	(49,261)	<b>3,591,354</b>	1,278,821
<b>As at 31 March</b>	<b>10,486,435</b>	6,896,135	<b>202,383</b>	201,329	<b>10,688,818</b>	7,097,464

#### 8.1.a Financial Assets classified as Fair Value through OCI -Unquoted Equity Shares

The Company holds a 13.33% equity investment (2021: 13.33%) in Shalimar Development Sdn. Bhd. (SDSB), an investment holding company incorporated in Malaysia. The sole equity investment of SDSB is in PT Agro Indomas (PTAI), an oil palm plantation company based in Indonesia, in which it has a controlling interest. The Company has designated its investment in SDSB as Financial Asset classified under Fair Value through OCI, and is measured at fair value, the basis of which is detailed in Note 8.2 below.

#### 8.1.b Financial Assets classified as Fair Value through OCI— Quoted Equity Shares

The Company holds a non-controlling interests of 3.10% (2021: 3.10%) in Shalimar (Malay) PLC. The fair value of the said investment is determined by reference to published price quotations in Colombo Stock Exchange.

#### 8.2 Fair Value of Unquoted Equity Shares

The Company obtained the services of PricewaterhouseCoopers (Private) Ltd (PwC Sri Lanka) to carry out an independent indicative fair market valuation of the equity interest in the unquoted investment in SDSB as at valuation date of 31 December 2021. The primary approach adopted in arriving the fair market valuation of the equity interest of PT Agro Indomas (PTAI) was income approach. The fair market valuation of the equity interest in the unquoted investment in SDSB was derived using adjusted net assets basis, which was very much dependent on the fair value of the palm oil plantation held by PTAI. The fair market valuation of the equity interest in the unquoted investment of SDSB in PTAI was derived using discounted cash flows method.

The fair value of the equity investment of SDSB in PTAI has been valued based on the following:

- (a) Estimated economic life of the oil palm plantations of PTAI is 26 years (including the immature period).
- (b) Consider one planting cycle (i.e. no replantation at the end of the economic life).
- (c) Yield per hectare based on year of planting, maturity profile and terrain.
- (d) CPO ex-mill prices in FY 2022/23 is estimated to be USD 658/MT and this is assumed to change in line with the World Bank CPO Price forecast (Oct 2021) adjusted for the Indonesia Palm oil levy that prevailed, i.e until FY 2040/41. After FY 2030/31 prices are assumed to remain unchanged.
- (e) Weighted average cost of capital (WACC) of 8.88%.
- (f) Indonesian corporate taxation rate at 22% in FY 2022 and beyond.
- (g) Indonesian Inflation assumed approximately 3% p.a.

### 8.3 Sensitivity of the Key Assumptions

The significant unobservable inputs used in the above fair value measurement categorised within level 3 of the fair value hierarchy (Note 20) together with a quantitative sensitivity analysis are shown below:

The below values are based on 13.33% (2021: 13.33%) equity stake in SDSB and base case is at WACC of 8.88% (2021: 9.12%).

CPO Ex-mill Price		Discounted Rate (WACC)		Yield	
5%	5%	1%	1%	5%	5%
Increase	Decrease	Increase	Decrease	Increase	Decrease
Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000

#### As at 31 March 2022

Effect of fair value in unquoted equity shares in SDSB designated as Financial Assets classified under FVOCI	2,871	(2,871)	(831)	894	2,018	(2,018)
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#### As at 31 March 2021

Effect of fair value in unquoted equity shares in SDSB designated as Financial Assets classified under FVOCI	2,105	(2,111)	(749)	806	1,271	(1,277)
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## Notes to the Financial Statements

### 9. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the Statement of Cash Flows include the following Statement of Financial Position amounts:

<i>Year ended 31 March</i>	<b>2022</b>	2021
	<b>Rs. '000</b>	Rs. '000
Bank Balances	<b>1,402</b>	412
Short-term Deposits	<b>4,085</b>	5,328
	<b>5,487</b>	5,740

### 10. SHORT-TERM INVESTMENTS

<i>As at 31 March</i>	<b>2022</b>	2021
	<b>Rs. '000</b>	Rs. '000
Fixed Deposit	<b>36,233</b>	53,469
	<b>36,233</b>	53,469

### 11. STATED CAPITAL

<i>Year ended 31 March</i>	<b>2022</b>	2021	<b>2022</b>	2021
	<b>Number</b>	Number	<b>Rs. '000</b>	Rs. '000
Fully paid Ordinary Shares	<b>3,883,782</b>	3,883,782	<b>68,713</b>	68,713
	<b>3,883,782</b>	3,883,782	<b>68,713</b>	68,713

### 12. OTHER RESERVES

<i>Year ended 31 March</i>	<b>2022</b>	2021
	<b>Rs. '000</b>	Rs. '000
Fair Value Reserve*	<b>10,537,434</b>	6,946,080
	<b>10,537,434</b>	6,946,080

\*Fair Value Reserve

Fair Value Reserve represents excess between the fair value and the cost of Financial assets classified under Fair Value through Other Comprehensive Income as per SLFRS 09.



**13. OTHER PAYABLES**

<i>Year ended 31 March</i>	<b>2022</b>	2021
	<b>Rs. '000</b>	Rs. '000
Unclaimed Dividend (Note 13.1)	<b>32,357</b>	30,779
	<b>32,357</b>	30,779

**13.1 Movement in Unclaimed Dividend**

<i>Year ended 31 March</i>	<b>2022</b>	2021
	<b>Rs. '000</b>	Rs. '000
Balance at 01 April	<b>30,779</b>	32,223
Dividend Forfeited	<b>(259)</b>	(1,444)
Dividend During The Year	<b>1,837</b>	-
<b>Balance at 31 March</b>	<b>32,357</b>	30,779

**14. CAPITAL COMMITMENTS**

There were no significant capital expenditure commitments as at the reporting date.

**15. ASSETS PLEDGED**

There were no assets pledged as at the reporting date.

**16. EVENTS AFTER THE REPORTING PERIOD**

There have been no material events occurring after the reporting date that require adjustments to or disclosures in the financial statements other than mentioned in note 16.1.

- 16.1** Export of Crude Palm Oil (CPO) was banned by the Government of Indonesia on 28th April 2022. The ban was imposed with the objective of stabilizing the local market Cooking Oil/ Palm Oil Price and industry experts believe that the imposed ban is temporary. The law imposing the ban was enacted subsequent to the reporting period. On 23rd May 2022, an announcement has been made that the ban on export of CPO is being lifted. Therefore, no adjustments were deemed necessary for the financial statements of the current year. Further, Management is of the view that the impact of this action will not be material.

**17. CONTINGENT LIABILITIES**

There were no material contingent liabilities as at the reporting date.

**18. RELATED PARTY DISCLOSURES**

Related parties represent Shareholders, Key management personnel (KMPs) of the Company, Close family members of KMPs, Parent, Ultimate Parent and entities belonging to the group the Company belongs to. Pricing policies and terms of transactions with these related parties are approved by the Company's management.

## Notes to the Financial Statements

### 18.1 Related Party Transactions

Transactions with related parties are as follows:

Name of the Company	Relationship	Nature of Transaction	Terms	Transaction Value	
				2022 Rs. '000	2021 Rs. '000
<b>Recurrent Transactions</b>					
Carsons Management Services (Private) Limited	Fellow Subsidiary	Secretarial Expenses	Note (a)	<b>218</b>	218
Shalimar Developments SDN BHD	Fellow Subsidiary	Dividend Income Received	Note (b)	<b>21,356</b>	-
Shalimar (Malay) PLC		Dividend Income Received	Note (b)	<b>1,489</b>	-
				<b>23,063</b>	218
Aggregate Value of Recurrent Related Party Transactions as a % of Net Revenue (Excluding Dividend Income)				<b>1%</b>	6%

Note (a) - Carsons Management Services (Private) Limited was appointed to provide secretarial services to the Company.

Note (b) - Company has invested in Equity shares of Shalimar Developments Sdn. Bhd. and Shalimar (Malay) PLC.

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. There are no outstanding related party balances at the year-end and no corporate guarantees provided to/received from related parties.

#### Non-Recurrent Transactions

There were no non-recurrent related party transactions for the year ended 31st March 2022.

## 18.2 Transaction with Key Management Personnel

Key Management Personnel include the Board of Directors of the Company.

<i>Year ended 31 March</i>	<b>2022</b>	2021
	<b>Rs. '000</b>	Rs. '000
Emoluments / Fees	<b>460</b>	140

Executive directors are not compensated for their role on the Board.

Key Management Personnel of the Company to whom the above fees relate for the year ended 31st March 2022, are non-executive members of the Board of Directors.

- 18.3** No material transactions have taken place during the year with the parties/entities in which key management personnel or their close family members have control or jointly control, which require disclosure in these Financial Statements other than those disclosed under 18.1 and 18.2.

## 19. FINANCIAL RISK MANAGEMENT

### Objectives and Policies

The Company's principal financial assets include bank balances and short-term deposits that derive directly from its operations. The Company also holds financial assets at Fair value through OCI. The Company's principal financial liabilities comprise other payables.

The Company is exposed to market risk, credit risk and liquidity risk. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

**(a) Market Risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk of the Company comprises interest rate risk, foreign currency risk and equity price risk.

**(b) Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is not exposed to interest rate risk as there are no financial assets and financial liabilities with floating interest rates at the reporting date.

## Notes to the Financial Statements

### (c) Foreign Currency Risk

Foreign currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates.

<i>Year ended 31 March</i>	<b>2022</b> <b>'000</b>	2021 '000
Investment Value (in MYR)	<b>147,477</b>	143,908
If Rupee Depreciated by 1%	<b>(-1%)</b>	(-1%)
Impact on Equity (in Rs.)	<b>104,864</b>	68,961
If Rupee Appreciated by 1%	<b>(+1%)</b>	(+1%)
Impact on Equity (in Rs.)	<b>(104,864)</b>	(68,961)

### (d) Equity Price Risk

The Company's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the equity price and key assumptions used to fair value listed and unlisted equity securities.

At the reporting date, the unlisted equity security is fair valued at Rs.10,486 Mn (2021: Rs. 6,896 Mn). Sensitivity analysis of this investment has been provided in Note 8.

The following table demonstrates the sensitivity of the cumulative changes in fair value to reasonably possible changes in equity prices, with all other variables held constant. The effect of decreases in equity prices is expected to be equal and opposite to the effect of the increases shown.

	<b>Change in Equity Price 2022</b>	<b>Effect on Equity 2022 Rs. '000</b>	Change in Equity Price 2021	Effect on Equity 2021 Rs. '000
Quoted Equity Shares				
Shalimar (Malay) PLC	<b>+10%</b>	<b>20,238</b>	+10%	20,133

### (e) Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is exposed to credit risk primarily from its deposits with Banking Institutions. The Company seeks to limit its credit risk with respect to banks by dealing with reputable banks.

**19. FINANCIAL RISK MANAGEMENT (CONTD.)**

With respect to credit risk arising from the financial assets of the Company, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments as follows:

<i>Year ended 31 March</i>	<b>2022</b> <b>Rs. '000</b>	2021 Rs. '000
Bank Balances	<b>1,402</b>	412
Short-term Deposits	<b>4,085</b>	5,328
Short Term Investments	<b>36,233</b>	53,469
	<b>41,720</b>	59,209

**(f) Liquidity Risk**

Liquidity risk is the risk that the Company will not be able to meet obligations as they fall due. The table below summarises the maturity profile of the Company's undiscounted financial liabilities as at 31 March, based on contractual payment dates.

<i>Year ended 31 March</i>	<b>2022</b> <b>Less than</b> <b>3 months</b> <b>Rs. '000</b>	2021 Less than 3 months Rs. '000
Other Payables	<b>32,357</b>	30,779
	<b>32,357</b>	30,779

**(g) Capital Management**

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The Company makes adjustments to its capital structure, in light of changes in economic and business conditions. To maintain or adjust the capital structure, the Company may issue new shares or adjust dividend payments to shareholders. No changes were made in the objectives, policies or processes during the year ended 31 March 2022 and 2021.

Capital, which includes stated capital, fair value reserve and retained earnings is measured at Rs. 10,699 Mn as at 31 March 2022 (2021: Rs. 7,127 Mn).

**20. FAIR VALUE MEASUREMENT**

Financial instruments comprise of financial assets and financial liabilities. Financial assets consist of bank balances, short-term deposits and financial assets classified under Fair Value through OCI (FVOCI).

Financial liabilities consist of other payables.

## Notes to the Financial Statements

**20. FAIR VALUE MEASUREMENT (CONTD.)**

The following table provides the fair value measurement hierarchy of the Company's assets which are stated at Fair value. Fair value measurement hierarchy for assets as at 31 March:

	Date of valuation	Total Rs. '000	Quoted prices in active markets (Level 1) Rs. '000	Fair value measurement using		
				Significant observable inputs (Level 2) Rs. '000	Significant unobservable inputs (Level 3) Rs. '000	
<b>Assets measured at fair value:</b>						
<b>As at 31 March 2022</b>						
<b>Financial Assets classified under FVOCI</b>						
Quoted Equity Shares						
Shallimar (Malay) PLC	31 March 2022	202,383	202,383	-	-	-
Unquoted Equity Shares						
Shallimar Developments Sdn. Bhd.	31 December 2021	10,486,435	-	-	-	10,486,435
		<b>10,688,818</b>	<b>202,383</b>	-	-	<b>10,486,435</b>
<b>As at 31 March 2021</b>						
<b>Financial Assets classified under FVOCI</b>						
Quoted Equity Shares						
Shallimar (Malay) PLC	31 March 2021	201,329	201,329	-	-	-
Unquoted Equity Shares						
Shallimar Developments Sdn. Bhd.	31 December 2020	6,896,135	-	-	-	6,896,135
		<b>7,097,464</b>	<b>201,329</b>	-	-	<b>6,896,135</b>

Key assumptions, methods of valuations and significant unobservable inputs for assets categorised under level 3 of the fair value measurement hierarchy are disclosed under Note 8 to the Financial Statements.

During the reporting period ending 31 March 2022, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

The fair values of other financial instruments are not materially different from their carrying values.

## Five Year Summary

<i>For the year ended 31 March</i>	<b>2022</b>	2021	2020	2019	2018
	<b>Rs. '000</b>	Rs. '000	Rs. '000	Rs. '000	Rs. '000
<b>Operating Results</b>					
Revenue	<b>24,763</b>	3,935	6,704	6,471	6,205
<b>Profit before taxation</b>	<b>23,028</b>	4,211	5,535	7,205	(4,714)
Taxation	<b>(117)</b>	(664)	-	-	-
<b>Total Profit/(Loss) for the year</b>	<b>22,911</b>	3,547	5,535	7,205	(4,714)

<i>As at 31 March</i>	<b>2022</b>	2021	2020	2019	2018
	<b>Rs. '000</b>	Rs. '000	Rs. '000	Rs. '000	Rs. '000

### Statement of Financial Position

#### Assets

##### Non-Current Assets

Property, plant and equipment	<b>311</b>	113	172	-	-
Non-current financial assets	<b>10,688,818</b>	7,097,464	5,818,643	6,029,478	5,855,170
	<b>10,689,129</b>	7,097,577	5,818,815	6,029,478	5,855,170

##### Current Assets

	<b>42,689</b>	60,140	58,513	92,339	64,534
<b>Total Assets</b>	<b>10,731,818</b>	7,157,717	5,877,328	6,121,817	5,919,704

#### Equity and Liabilities

Stated capital	<b>68,713</b>	68,713	68,713	68,713	68,713
Reserves	<b>10,630,405</b>	7,057,968	5,775,600	5,980,900	5,776,374
	<b>10,699,118</b>	7,126,681	5,844,313	6,049,613	5,845,087

##### Non-Current Liabilities

Deferred tax liability	-	-	-	-	23,013
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##### Current Liabilities

	<b>32,700</b>	31,036	33,015	72,204	51,604
<b>Total Equity &amp; Liabilities</b>	<b>10,731,818</b>	7,157,717	5,877,328	6,121,817	5,919,704

## Five Year Summary

<i>For the year ended 31 March</i>	<b>2022</b>	2021	2020	2019	2018
	<b>Rs. '000</b>	Rs. '000	Rs. '000	Rs. '000	Rs. '000
<b>Cash Flow Statements</b>					
Net cash (outflows) from operating activities	<b>(1,892)</b>	(827)	(3,681)	(2,704)	(50,191)
Net cash inflows/(outflows) from investing activities	<b>41,630</b>	(7,335)	42,870	(74,667)	6,205
Net cash inflows/(outflows) from financing activities	<b>(39,991)</b>	-	(35,913)	24,067	(345,220)
<b>Net (decrease)/increase in cash &amp; cash equivalents</b>	<b>(253)</b>	(8,162)	3,276	(53,304)	(389,206)

<i>For the year ended 31 March</i>	<b>2022</b>	2021	2020	2019	2018
	<b>Rs. '000</b>	Rs. '000	Rs. '000	Rs. '000	Rs. '000
<b>Ratios and Statistics</b>					
Return on ordinary shareholders' funds (%)	<b>0.21</b>	0.05	0.09	0.12	(0.08)
Current ratio (times)	<b>1.31</b>	1.94	1.77	1.28	1.25
Quick asset ratio (times)	<b>1.31</b>	1.94	1.77	1.28	1.25
Net profit margin (%) (a)	<b>92.52</b>	90.14	82.57	111.34	(75.97)
Earnings per ordinary share (EPS) (Rs.) (b)	<b>5.90</b>	0.91	1.43	1.86	(1.21)
Dividend per ordinary share (Rs.) (c)	<b>10.77</b>	-	-	-	-
Dividend payout	<b>1.83</b>	-	-	-	-
Net assets per ordinary share (Rs.) (d)	<b>2,754.82</b>	1,834.98	1,504.80	1,557.66	1,504.99
Market value per share (Rs.)	<b>1,560.00</b>	1,121.90	769.00	902.60	1,172.00
P/E ratio (times)	<b>264.44</b>	1,228.57	539.81	486.54	(965.59)
Market capitalisation (Rs.'000)	<b>6,058,700</b>	4,357,215	2,986,628	3,505,502	4,551,793

- (a) Net profit margin consists of dividend income received from its investment.
- (b) The earnings per ordinary share is calculated by dividing the profit for the year over the weighted average number of ordinary shares in issue during the year.
- (c) Based on proposed dividend and interim dividend paid.
- (d) Net assets per ordinary share is calculated by dividing shareholders' funds by the number of ordinary shares.



## Statement of Value Added

<i>For the year ended 31 March</i>	<b>2022</b>	<b>%</b>	2021	<b>%</b>
	<b>Rs. '000</b>		Rs. '000	
<b>Revenue</b>	<b>24,763</b>		3,935	
Other income & gains	<b>259</b>		1,444	
	<b>25,022</b>		5,379	
Bought in services	<b>(1,773)</b>		(1,109)	
	<b>23,249</b>		4,270	
<b>Distributed as follows:</b>				
<b>To Government</b>				
as taxation	<b>166</b>	<b>1%</b>	664	16%
<b>To Providers of capital</b>				
as Ordinary Dividend	<b>41,828</b>	<b>180%</b>	-	0%
<b>Retained in the Business</b>				
as depreciation	<b>172</b>	<b>1%</b>	59	1%
as retained profits	<b>(18,917)</b>	<b>-82%</b>	3,547	83%
	<b>23,249</b>	<b>100%</b>	4,270	100%

The Statement of Value Added shows the quantum of wealth generated by the activities of the Company and its application.

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## **US\$ Financial**

Preparation of  
US Dollar Financial

The Financial Statements of the Company are stated in Sri Lankan Rupees. The translation of the Sri Lankan Rupee amounts into US Dollars is included solely for the convenience of Shareholders, Investors, Bankers and other users of Financial Statements.

US Dollar financial do not form part of the  
Audited Financial Statements of the Company.

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## Statement of Profit or Loss

<i>Year Ended 31 March</i>	<b>2022</b>	2021
	<b>US\$</b>	US\$
Revenue	<b>120,735</b>	20,862
Other Income and Gains	<b>1,264</b>	7,655
Administration Expenses	<b>(9,720)</b>	(6,192)
Profit Before Tax	<b>112,279</b>	22,325
Income Tax Expense	<b>(571)</b>	(3,520)
<b>Profit for the Year</b>	<b>111,708</b>	18,805

*Figures in brackets indicate deductions.*

# Statement of Financial Position

<i>As at 31 March</i>	<b>2022</b>	2021
	<b>US\$</b>	US\$
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, Plant and Equipment	<b>1,058</b>	565
Other non-current financial assets	<b>36,372,402</b>	35,517,510
<b>Total Non-Current Assets</b>	<b>36,373,460</b>	35,518,075
<b>Current assets</b>		
Advance and prepayments	<b>1,150</b>	1,746
Taxation Receivable	<b>2,148</b>	2,913
Short Term Investments	<b>123,294</b>	267,573
Cash and cash equivalents	<b>18,673</b>	28,724
<b>Total Current Assets</b>	<b>145,265</b>	300,956
<b>Total assets</b>	<b>36,518,725</b>	35,819,031
<b>EQUITY AND LIABILITIES</b>		
Stated capital	<b>878,000</b>	878,000
Retained earnings	<b>627,376</b>	721,719
Other reserves	<b>34,902,077</b>	34,064,000
<b>Total Shareholders' Funds</b>	<b>36,407,453</b>	35,663,719
<b>Current liabilities</b>		
Other payables	<b>110,106</b>	154,026
Provision and accrued expenses	<b>1,166</b>	1,286
<b>Total Current Liabilities</b>	<b>111,272</b>	155,312
<b>Total equity and liabilities</b>	<b>36,518,725</b>	35,819,031

# Notes to the Financial Statements

## 1. BASIS OF CONVERSION

The translation of Sri Lankan Rupee amounts into US Dollar amounts is solely for the convenience of the shareholders, investors, bankers and other users of Financial Statements.

The translation of the Financial Statements into US Dollar was affected on the following exchange rates.

	2022 Rs.	2021 Rs.
Income Statement	205.10	188.62
Monetary assets and liabilities	293.87	199.83
Non-current assets and liabilities	293.87	199.83

## 2. RETAINED EARNINGS

	2022 US\$	2021 US\$
<b>Balance as at 1st April</b>	<b>721,719</b>	702,914
Profit for the year	111,708	18,805
Ordinary Dividend	(206,051)	-
<b>Balance as at 31 March</b>	<b>627,376</b>	721,719

## Five Year Summary

<i>For the year ended 31 March</i>	<b>2022</b>	2021	2020	2019	2018
	<b>US\$</b>	US\$	US\$	US\$	US\$

### Operating Results

Revenue	<b>121,999</b>	20,862	37,389	38,398	40,464
<b>Profit before taxation</b>	<b>112,279</b>	22,325	30,871	42,753	(25,948)
Taxation	<b>(571)</b>	(3,520)	-	-	(4,793)
<b>Total Profit for the year</b>	<b>111,708</b>	18,805	30,871	42,753	(30,741)

<i>As at 31 March</i>	<b>2022</b>	2021	2020	2019	2018
	<b>US\$</b>	US\$	US\$	US\$	US\$

### Statement of Financial Position

#### Assets

##### Non-Current Assets

Property, plant and equipment	<b>1,058</b>	565	906	-	-
Non-current financial assets	<b>36,372,402</b>	35,517,510	30,639,644	34,240,527	37,628,540
	<b>36,373,460</b>	35,518,075	30,640,550	34,240,527	37,628,540

<b>Current Assets</b>	<b>145,265</b>	300,956	308,119	524,381	414,730
<b>Total Assets</b>	<b>36,518,725</b>	35,819,031	30,948,669	34,764,908	38,043,270

#### Equity and Liabilities

Stated capital	<b>878,000</b>	878,000	878,000	878,000	878,000
Reserves	<b>35,529,453</b>	34,785,719	29,896,820	33,476,870	36,685,747
	<b>36,407,453</b>	35,663,719	30,774,820	34,354,870	37,563,747

#### Non-Current Liability

Deferred tax liability	-	-	-	-	147,894
<b>Current Liabilities</b>	-	-	-	-	331,629
<b>Total Equity &amp; Liabilities</b>	<b>36,518,725</b>	35,819,031	30,948,669	34,764,908	38,043,270

<i>For the year ended 31 March</i>	<b>2022</b>	2021	2020	2019	2018
	<b>US\$</b>	US\$	US\$	US\$	US\$
<b>Cash Flow Statements</b>					
Net cash (outflows)/inflows from operating activities	<b>(6,437)</b>	(4,384)	(20,531)	(16,045)	(322,564)
Net cash inflows / (outflows) from investing activities	<b>141,660</b>	(38,888)	239,110	(443,064)	39,877
Net cash (outflows)/inflows from financing activities	<b>(136,085)</b>	-	(200,307)	142,811	(2,218,638)
<b>Net (decrease) / increase in cash &amp; cash equivalents</b>	<b>(862)</b>	(43,272)	18,272	(316,299)	(2,501,325)

	<b>2022</b>	2021	2020	2019	2018
<b>Ratios and Statistics</b>					
Return on ordinary shareholders' funds (%)	<b>0.31</b>	0.05	0.10	0.12	(0.08)
Current ratio (times)	<b>1.31</b>	1.94	1.77	1.28	1.25
Quick asset ratio (times)	<b>1.31</b>	1.94	1.77	1.28	1.25
Net profit margin (%) (a)	<b>91.56</b>	90.14	82.17	111.34	(75.97)
Earnings per ordinary share (EPS)					
(US\$.) (b)	<b>0.03</b>	0.00	0.01	0.01	(0.007)
Dividend per ordinary share					
(US\$.) (c)	<b>0.05</b>	-	-	-	-
Dividend payout	<b>1.84</b>	-	-	-	-
Net assets per ordinary share					
(US\$.) (d)	<b>9.37</b>	9.18	7.92	8.85	9.67
Market value per share (US\$.)	<b>5.31</b>	5.61	4.05	5.13	7.53
P/E ratio (times)	<b>177</b>	1,159.52	509.44	465.63	(965.69)
Market capitalisation (US\$. '000)	<b>20,617</b>	21,805	15,727	19,907	29,253

- (a) Net profit margin consist of dividend income received from its investment.
- (b) The earnings per ordinary share is calculated by dividing the profit for the year over the weighted average number of ordinary shares in issue during the year.
- (c) Based on proposed dividend and interim dividend paid.
- (d) Net assets per ordinary share is calculated by dividing shareholders' funds by the number of ordinary shares.

# Information to Shareholders and Investors

## 1. Stock Exchange Listing

Good Hope PLC is a Public Quoted Company, the ordinary shares of which are listed on the Second Board of the Colombo Stock Exchange of Sri Lanka.

## 2. Share Valuation

Market value of the Company shares as at 31st March 2022 was Rs. 1,560.00 per share (2021: Rs. 1,121.90 per share).

## 3. Shareholders

<i>As at 31 March</i>	<b>2022</b>	2021
No. of Ordinary Shareholders	<b>396</b>	417

The number of ordinary shares held by non – residents as at 31st March 2022 was 3,816,504 which amounts to 98.27% of the total number of ordinary shares.

### Resident/non-resident Shareholders as at 31st March 2022

Distribution of Shares	Residents			Non-Residents			Total		
	No. of Members	No. of Shares	%	No. of Members	No. of Shares	%	No. of Members	No. of Shares	%
1 - 1,000	368	10,670	0.28	3	703	0.02	371	11,373	0.29
1001 - 10,000	9	35,613	0.92	9	43,537	1.12	18	79,150	2.04
10,001 - 100,000	1	20,995	0.54	4	94,477	2.43	5	115,472	2.97
100,001 - 1,000,000	0	0	0.00	1	146,966	3.78	1	146,966	3.78
Above 1,000,000	0	0	0.00	1	3,530,821	90.91	1	3,530,821	90.91
<b>Grand Total</b>	<b>378</b>	<b>67,278</b>	<b>1.73</b>	<b>18</b>	<b>3,816,504</b>	<b>98.27</b>	<b>396</b>	<b>3,883,782</b>	<b>100.00</b>

### Categorisation of Shareholders as at 31st March 2022

	No. of Shareholders	No. of Shares	%
Individuals	363	348,925	8.98
Institutions	33	3,534,857	91.02

### Public Shareholding

The Company is not in compliance with the minimum public holding requirements set out in Rule 7.14.1 (a) of the Listing Rules of the Colombo Stock Exchange.

Public Shareholding as at 31st March 2022

- Market capitalisation of the public holding – Rs. 550,735,823/-
- Percentage of the Ordinary Shares held by Public – 9.09% (2021 - 9.09%)
- No. of public shareholders – 383



#### 4. Market Performance - Ordinary Shares

<i>For the year ended 31 March</i>	2022	2021
Highest (Rs.)	<b>1,750.25</b>	1,184.00
Lowest (Rs.)	<b>901.00</b>	650.10
Volume Traded (Shares)	<b>2,167</b>	1,747
No. of Trades	<b>429</b>	326
Value of Shares Traded (Rs. '000)	<b>2,620,271</b>	1,661,344

#### 5. Market Capitalisation

Market capitalisation of the Company, which is the number of ordinary shares in issue multiplied by the market value of a share, was Rs. 6,058.70 Mn as at 31st March 2022 (2021: Rs. 4,357.22 Mn).

#### 6. Record of Scrip Issues

The under mentioned scrip issues have been made by the Company.

<i>Year ended 31 March</i>	Issue	Basis	No. of Ordinary Shares Capital	Cumulative Ordinary Shares (Rs.)
1994	-	-	441,828	4,418,280
1995	Bonus	1:01	441,828	8,836,560
1998	Bonus	1:02	441,828	13,254,840
1999	Bonus	1:01	1,325,484	26,509,680
2002 April	Bonus	1:05	530,193	31,811,610
2003 May	Bonus	1:05	636,232	38,173,930
2004 March	Bonus	4:05	3,053,914	68,713,070

During the financial year 2016/2017, the Company repurchased 2,987,525 shares.

#### 7. Indonesian Property

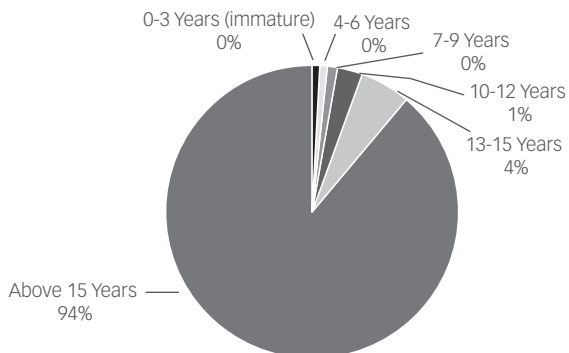
PT Agro Indomas (PTAI), the Company's investment made through Shalimar Developments Sdn. Bhd. (Investment vehicle in Malaysia) is located in Kalimantan province, Indonesia.

The Indonesian investment, PT Agro Indomas is managed through the group's (GAHL) fully owned management arm in Indonesia. The Indonesia operation consists of 26,516 hectares of plantation with processing facilities of 225 MT/hr within the plantations.

## Information to Shareholders and Investors

	2022	2021	2020	2019	2018
Crop Production (MT)	<b>622,272</b>	613,994	651,873	711,427	495,381
CPO (MT)	<b>128,787</b>	130,553	134,612	139,405	98,891
PK (MT)	<b>30,317</b>	30,602	32,644	31,559	21,939
CPO Ex Mill Price (US\$)	<b>679</b>	484	474	459	572
FFB Yield (MT per Hectare)	<b>20.43</b>	25.57	23.15	26.57	19.90
CPO / Ha (MT)	<b>4.41</b>	5.57	4.92	5.24	4.00
Milling Capacity (MT per Hour)	<b>225</b>	225	225	225	225

### Plantation Age Analysis of PTAI



# Glossary of Financial Terms

## Capital Reserves

Reserves identified for specific purposes and considered not available for distribution.

## Cash Equivalents

Liquid investments with original maturities of three months or less.

## Contingent Liabilities

Conditions or situations at the Balance Sheet date, the financial effects of which are to be determined by future events which may or may not occur.

## Current Ratio

Current assets divided by current liabilities.

## Quick Ratio

Current assets less inventories divided by current liabilities.

## Net Profit Margin

Net profit divided by revenue.

## Dividend Per Share

Dividend paid interim and proposed, divided by the number of shares in issue which ranked for those dividends.

## Dividend Payout

Total interim and proposed dividends divided by profit after tax.

## Earnings Per Ordinary Share

Profits attributable to ordinary shareholders before extraordinary items

and after preference dividend divided by the weighted average number of ordinary shares in issue, ranking for dividend.

## Equity

Shareholders' funds.

## Events Occurring after Reporting Date

Significant events that occur between the Reporting date and the date on which Financial Statements are authorised for issue.

## Market Capitalisation

The market value of a company at a given date obtained by multiplying the share price by the number of shares in issue.

## Net Assets Per Share

Total assets less total liabilities divided by the number of ordinary shares in issue.

## Net Current Assets

Current assets less current liabilities. Measures the capital required to finance day-to-day operations.

## Price Earnings Ratio (P/E)

Market price of a share divided by earnings per share.

## Rate of Ordinary Dividend

The Rupee amount of the dividend per share as a percentage of the nominal value of the shares.

## Reserves

The total of capital and revenue reserves.

## **Glossary of Financial Terms**

### **Related Parties**

Parties who could control or significantly influence the financial and operating policies/decisions of the business.

### **Return on Shareholders' Funds**

Profit attributable to ordinary shareholders divided by shareholders' funds (total of ordinary share capital and reserves).

### **Revenue Reserves**

Reserves considered as being available for distribution.

### **Segment**

Constituent business units grouped in terms of nature and similarity of operations.

### **Value Addition**

The quantum of wealth generated by the activities of the Company.

### **Others**

CPO - Crude Palm Oil

PK - Palm Kernel

FFB - Fresh Fruit Bunches

Ha - Hectare

MYR - Malaysian Ringgit

MT – Metric Tonnes

## Notice of Meeting

NOTICE IS HEREBY GIVEN that the ONE HUNDRED AND THIRTEENTH ANNUAL GENERAL MEETING of GOOD HOPE PLC will be held on Thursday, the 23rd day of June 2022, at 11.00 a.m. at the 8th Floor, No. 65C, Dharmapala Mawatha, Colombo 07, Sri Lanka, by means of audio or audio and visual technology for the following purposes:

1. To consider the Annual Report of the Board of Directors including the financial statements of the Company for the financial year ended 31st March 2022 together with the Report of the Auditors thereon.
2. To re-elect Mr. D.P. De Silva who retires by rotation in terms of Articles 98 & 99 of the Articles of Association of the Company.
3. To reappoint Mr. H. Selvanathan as a Director of the Company who is over seventy years of age and to consider and if deemed fit to pass the following resolution:
 

“IT IS HEREBY RESOLVED that the age limit stipulated in Section 210 of the Companies Act, No. 7 of 2007 shall not be applicable to Mr. H. Selvanathan who is seventy three years of age and that he be re-appointed as a Director of the Company from the conclusion of the Annual General Meeting for a further period of one year.”
4. To reappoint Mr. M. Selvanathan as a Director of the Company who is over seventy years of age and to consider and if deemed fit to pass the following resolution:

“IT IS HEREBY RESOLVED that the age limit stipulated in Section 210 of the Companies Act No. 7 of 2007 shall not be applicable to Mr. M. Selvanathan who is seventy five years of age and that he be re-appointed as a Director of the Company from the conclusion of the Annual General Meeting for a further period of one year.”

5. To reappoint Mr. I. Paulraj as a Director of the Company who is over seventy years of age and to consider and if deemed fit to pass the following resolution:

“IT IS HEREBY RESOLVED that the age limit stipulated in Section 210 of the Companies Act No. 7 of 2007 shall not be applicable to Mr. I. Paulraj who is eighty five years of age and that he be reappointed as a Director of the Company from the conclusion of the Annual General Meeting for a further period of one year.”

6. To reappoint Mr. D. C. R. Gunawardena as a Director of the Company who is over seventy years of age and to consider and if deemed fit to pass the following resolution:

“IT IS HEREBY RESOLVED that the age limit stipulated in Section 210 of the Companies Act, No. 7 of 2007 shall not be applicable to Mr. D. C. R. Gunawardena who is seventy one years of age and that he be re-appointed as a Director of the Company from the conclusion of the Annual General Meeting for a further period of one year”

## Notice of Meeting

7. To re-appoint Messrs. Ernst & Young, Chartered Accountants as Auditors of the Company as set out in Section 154 (1) of the Companies Act No. 7 of 2007 and to authorise the Directors to determine their remuneration.

By Order of the Board

*(Sgd.)*

**K. D. De Silva (Mrs.)**

*Director*

**Carsons Management Services (Private) Limited**

*Secretaries*

Colombo

30th May 2022

### Notes

1. THIS NOTICE SHOULD BE READ IN CONJUNCTION with the Circular to Shareholders titled "Procedure to be followed at the 113th Annual General Meeting of the Company" which is enclosed with the Annual Report.
2. As permitted by Article 73(A) of the Articles of Association of the Company, the Board of Directors decided on 23rd May 2022 to convene the AGM of the Company through an "audio-visual" technology in view of protecting public health and safety.
3. Shareholders who wish to participate the AGM through the online platform are kindly requested to complete and forward the "Registration Form (Annexure 1) as morefully explained in the said "Procedure to be followed at the 113th Annual General Meeting of the Company" enclosed to the Annual Report.
4. The Annual Report FY 2021/22 and the notice convening the AGM together with the procedure to be followed at the AGM will be made available on the Colombo Stock Exchange website [www.cse.lk](http://www.cse.lk) and on the Group's website [www.carsoncumberbatch.com](http://www.carsoncumberbatch.com) and you may access same directly through the URL link [http://www.carsoncumberbatch.com/investor\\_information/investor\\_information\\_good\\_hope\\_plc.php](http://www.carsoncumberbatch.com/investor_information/investor_information_good_hope_plc.php)
5. A member is entitled to appoint a proxy to attend and vote instead of him/her. A proxy need not be a member of the Company. A Form of Proxy accompanies this notice.
6. The completed Form of Proxy should be submitted to the Company not later than 4.45 p.m. on 21st June 2022 via email to [GOODAGM2022@carcumb.com](mailto:GOODAGM2022@carcumb.com) or by fax to +94 11 2337671 or by post to or handed over to the Registered Office of the Company at No. 61, Janadhipathi Mawatha, Colombo 1.
7. A person representing a Corporation is required to submit a certified copy of the resolution authorising him/her to act as the representative of the Corporation. A representative need not be a member.
8. The transfer books of the Company will remain open.



**Notes**

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# Form of Proxy

\*I/We .....of  
 ..... being \*a  
 Member/Members of GOOD HOPE PLC, hereby appoint ..... of  
 ..... of  
 ..... of  
 bearing NIC No./Passport No ..... or failing him/her.

Hariharan Selvanathan	or failing him,
Manoharan Selvanathan	or failing him,
Israel Paulraj	or failing him,
Don Chandima Rajakaruna Gunawardena	or failing him,
Sanjiv Neville Alles	or failing him,
Diyangukankani Prithiviraj De Silva	

As \*my/our proxy to attend at the Annual General Meeting of the Company to be held on Thursday, the 23rd day of June 2022 at 11.00 a.m. at the 8th Floor, No. 65 C, Dharmapala Mawatha, Colombo 07 by means of audio or audio and visual technology and any adjournment thereof and at every poll which may be taken in consequence thereof.

	For	Against
1. To re-elect Mr. D. P. De Silva who retires by rotation in terms of Articles 98 & 99 of the Articles of Association of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
2. To reappoint Mr. H. Selvanathan who is over seventy years of age as a Director of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
3. To reappoint Mr. M. Selvanathan who is over seventy years of age as a Director of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
4. To reappoint Mr. I. Paulraj who is over seventy years of age as a Director of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
5. To reappoint Mr. D. C. R. Gunawardena who is over seventy years of age as a Director of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
6. To reappoint Messrs. Ernst & Young, Chartered Accountants as Auditors of the Company as set out in Section 154 (1) of the Companies Act No. 7 of 2007 and to authorise the Directors to determine their remuneration.	<input type="checkbox"/>	<input type="checkbox"/>

Signed this ..... day of ..... Two Thousand and Twenty Two

.....  
 Signature/s

## Notes

- \*Please delete the inappropriate words.
- A shareholder entitled to attend and vote at a General Meeting of the Company, is entitled to appoint a proxy to attend and vote instead of him/her and the proxy need not be a shareholder of the Company. A proxy so appointed shall have the right to vote on a show of hands or on a poll and to speak at the General Meeting of the shareholders.
- A shareholder is not entitled to appoint more than one proxy on the same occasion.
- Instructions are noted on the reverse hereof.

## Form of Proxy

### Instructions as to Completion

1. Kindly perfect the form of proxy by filling in legibly your full name and address and sign in the space provided. Please fill in the date of signature.
2. If you wish to appoint a person other than the Directors as your proxy, please insert the relevant details in the space provided overleaf.
3. In terms of Article 86 of the Articles of Association of the Company: The instrument appointing a proxy shall be in writing and -
  - (i) in the case of an individual shall be signed by the Appointor or by his Attorney; and
  - (ii) in the case of a Corporation shall be either under its common seal or signed by its Attorney or by an officer on behalf of the Corporation.

The Company may, but shall not be bound to, require evidence of the authority of any such Attorney or officer.

A proxy need not be a member of the Company.

4. In the case of joint-holders of a share, the senior who tenders a vote, whether in person or by proxy or by Attorney or by representative, shall be accepted to the exclusion of the votes of the other joint- holders and for this purpose seniority shall be determined by the order in which the names stands in the Register of Members in respect of the joint holding.
5. To be valid the completed Form of Proxy should be submitted to the Company not later than 4.45 p.m. on 21st June 2022 or via e-mail to GOODAGM2022@carcumb.com or by fax to +94 11 2337671 or by post to or handed over to the Registered Office of the Company, No. 61, Janadhipathi Mawatha, Colombo 1.

Please fill in the following details

Name of Shareholder : .....

.....

Address : .....

.....

.....

Jointly with : .....

Share Folio No. : .....

# Corporate Information

## NAME OF THE COMPANY

Good Hope PLC

## COMPANY REGISTRATION NO.

PQ 43

## LEGAL FORM

A Public Quoted Company with Limited Liability incorporated in Sri Lanka in 1910

## DIRECTORS

H. Selvanathan (Chairman)  
M. Selvanathan  
I. Paulraj  
D. C. R. Gunawardena  
S. N. Alles  
D. P. De Silva

## BANKERS

Commercial Bank of Ceylon PLC  
Standard Chartered Bank  
Hatton National Bank PLC

## AUDITORS

Messrs. Ernst & Young  
Chartered Accountants  
201, De Saram Place,  
Colombo 10, Sri Lanka.  
Tel: + 94 11 2463500  
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## CORPORATE WEBSITE

[www.goodhopeholdings.com](http://www.goodhopeholdings.com)

## HOLDING COMPANY

Goodhope Asia Holdings Ltd

## ULTIMATE PARENT & CONTROLLING ENTITY

Bukit Darah PLC

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